

**FBIS**

# DAILY REPORT

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*China*

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COMMENTARY ON NATO'S 'STRIKING DEEP' PRINCIPLE

HK280739 Beijing RENMIN RIBAO in Chinese 26 Feb 85 p 7

["Special" commentary by Chen Peiyao: "Readjustment of NATO's Strategy as Viewed From Its Principle of 'Striking Deep'"]

[Text] At the end of last year the NATO Defense Planning Committee approved the operational principle of what is called "striking deep." According to this principle, if war breaks out in Europe between NATO and the Warsaw Pact, NATO conventional forces should not only successfully stop attacks launched by Warsaw Pact divisions and regiments with conventional weapons, but should also destroy Warsaw Pact follow-up units and supporting military installations in the rear areas, in order to coordinate their military operations in a forward position. This new principle, which was advanced by Rogers, NATO's supreme Allied commander Europe, at the end of 1982, has been formulated after over 2 years of repeated discussions within NATO. This reflects the fact that new important changes have taken place in NATO's operational policy, while the military confrontation between the United States and the Soviet Union in Europe is being aggravated at the present time.

NATO's principle of "striking deep" is closely interrelated with the well-developed weapons technology in Western countries. It is reported that Western countries have mixed electronics, infrared rays, and lasers together in weapons technology, thus greatly improving the percentage of hits, range of fire, and maneuverability of conventional weapons. Concerning several new kinds of conventional weapons recommended recently by NATO headquarters, it is said that a new radar system with the code name of "Paver" can track all kinds of vehicles on the ground at a distance of 150 km, and that it can track targets further away if it is installed in a high-altitude reconnaissance plane. Such a new radar system can promptly and accurately relay all tracked targets to field command posts. Some NATO weaponry experts believe that the developed technology of modern weapons has enabled NATO to keep watch on movements deep within enemy territory and to promptly transmit intelligence and issue orders to effectively destroy enemy targets deep inside their territory.

NATO's principle of "striking deep" is also directed at the Warsaw Pact's operational policy, which stresses high-speed offensive operations and making deep breaches by concentrating superior forces. In recent years, the Warsaw Pact has emphasized building strategic forces and deploying troops in long lines and many echelons. When the first echelon, comprising several divisions, concentrates an attack on a point of NATO's line of defense, the second echelon is disposed in an area 50 to 100 km from the frontline; and when 60 percent of the troops of the first echelon have been wiped out, the second echelon will move in, thus continuously waging vigorous offensives on NATO's frontline. This can not only swiftly open a breach but can also avoid fighting in isolation. The present NATO strategy of "forward position defense" is that its troops are disposed along a long border between East and West. This disperses its forces and makes it difficult to stop the enemy driving straight in after opening a breach at some point. However, its new principle is to strengthen the weak side of its strategy of "forward position defense" so that it will be able to stop the enemy's offensive with its advanced weapons and by striking deep within enemy territory.

The adoption of the principle of "striking deep" is also connected with the present "balance of nuclear weapons" in Europe.



Since NATO decided to deploy new U.S. intermediate missiles in Western Europe at the end of 1983, the nuclear arms race between the United States and the Soviet Union in Europe has clearly been escalated. Each side has its strong points in the quality and quantity of its nuclear weapons in Europe, but the two sides are evenly matched and they can deter each other with military force. The United States fears that a nuclear war in Europe may damage its home territory, so it energetically advocates strengthening conventional forces in Europe. Meanwhile, West European countries do not believe that the United States will protect Europe with nuclear weapons at the risk of nuclear attacks on its home territory, and they also fear that Europe may become a battlefield of nuclear war. For this reason, they stand for strengthening the conventional forces so as to raise the "nuclear threshold." The principle of "striking deep" stresses the use of conventional weapons. This is in conformity with the will of all NATO countries and panders to the rising fear of nuclear war in Western countries and the demand to not be the first to use nuclear weapons.

NATO's principle of "striking deep" does not exclude its strategy of "flexible reaction" and "forward position defense" in Europe. In a communique issued after a meeting of its defense ministers at the end of last year, the NATO Defense Planning Committee reaffirmed that its strategy of "flexible reaction" and "forward position defense" remains its "well-laid foundation" for dealing with the Warsaw Pact. However, this principle will bring about decided changes in the focus of NATO's strategy and operational policy in Europe.

First, the new principle will change NATO's strategy from preparing itself against nuclear war to basing itself upon conventional war. The strategy of "flexible reaction" requires an "organic whole of three" -- strategic nuclear weapons, tactical nuclear weapons, and conventional weapons. If the conventional forces cannot withstand a war, nuclear weapons will be used, or nuclear weapons will be used in the first place when needed. Such a strategy is to deter the enemy with nuclear war. However, the principle of "striking deep" is based on a conventional war, while the nuclear deterrent is maintained. According to the new principle, NATO's conventional forces will be strengthened, while its tactical nuclear weapons, which are deployed in a forward position to make up for the deficiency in the conventional forces, will be reduced. This can be proved by a decision made by NATO not long ago that 1,400 of NATO's tactical warheads in Europe will be replaced by accurately guided conventional warheads.

Second, the new principle will push the battlefield of a future war from NATO's territory to within the boundaries of Warsaw Pact nations. According to its strategy of "forward position defense," NATO will fight a defensive battle only along the borders between East and West in central Europe and in an area of 100 km inside FRG territory, but the new principle requires that efforts should be made to destroy the enemy's follow-up units and supporting military installations in the rear areas within the boundaries of Warsaw Pact nations in the first few hours after the outbreak of a war. Such an operational policy of using attack as a means of defense, hitting out to gain the initiative and leading the flames of war into the interior of the Warsaw Pact is in fact a copy of the so-called "advance strategy" which was discussed by NATO in the 1960's.

NATO is now busy with implementation of this new principle, but it is also confronted with many difficulties. First, many political figures in Western Europe are worried that implementation of the new principle will weaken U.S. nuclear protection for Western Europe, and that it is very dangerous to "open fire first" at Warsaw Pact follow-up echelons. Second, using new conventional weapons requires large amounts of money and it is very difficult to increase military spending at the present time. Moreover, the Soviet Union reacted strongly to this new principle and repeatedly denounced NATO for its increasing "adventures."

With the military confrontation between East and West in Europe being aggravated, the application of NATO's principle of "striking deep" will lead the two sides to step up the arms race in conventional weapons, thus making the situation in Europe more unstable.

PRC OBSERVERS ATTEND MEETING ON ANTARCTICA

OW271544 Beijing XINHUA in English 1446 GMT 27 Feb 85

[Text] Brasilia, February 26 (XINHUA) -- The 4th special consultative meeting of the treaty of the Antarctica opened today in Rio de Janeiro to study and work out an agreement on the exploitation and utilization of the mineral resources of that continent.

Representatives of the 32 signatories to the treaty came to the two-week meeting. The Chinese delegation led by Sima Jun appeared as observer. This is the first time that a meeting is held to study the economic exploitation of the Antarctica. According to the Brazilian Foreign Ministry, on top of the meetings agenda is to discuss and draw up an international agreement on the restraint on the exploitation of the continent's natural resources before its economic feasibility is confirmed.

Survey has proved that the Antarctica is rich in gas, uranium, maganese, gold, silver, copper, iron, zinc, cobalt and coal. Extraction of the minerals in the Antarctica requiring sophisticated technology is not yet possible because of the prohibitive costs.

SECOND ANTARCTIC SURVEY SHIP SAILS FOR HOME

OW282000 Beijing XINHUA in English 1939 GMT 28 Feb 85

[Text] King George Island, February 28 (XINHUA) -- The first Chinese Antarctic survey ship, the Xiangyanghong 10, set out for home today after fulfilling its mission of conducting scientific surveys and setting up an observation station on the ice-capped continent. A small number of expedition team members will remain in the "Great Wall" observation station until the end of March, when fresh Chinese scientists will come to replace them.

Before setting off, the leader of the team bid good-bye to heads of observation stations of other countries on the island. The S.S. Xiangyanghong 10 is expected to arrive at the Posesion anchoring site on the east opening of the Magallanes [Punta Arenas] on March 2 and join there with another expedition vessel, JI21, which left here two days ago. The two vessels will then call at Chile's Punta Arenas Port for provisions.

WANG BINGNAN MEMOIRS ON SINO-U.S. TALKS, PART 10

HK280923 Beijing SHIJIE ZHISHI in Chinese No 4, 16 Feb 85, pp 17-18

[Tenth installment of Wang Bingnan's Memoirs: "The 9-Year Sino-U.S. Talks in Retrospect"]

[Text] "A Marvelous Move"

The talks were still going on. However, by then, I had almost no hopes for them. As usual, Johnson and I would read each of our statements, then I would address some protests against U.S. incursions into our territorial waters and skies; and after a few words of confrontation, the meeting would end when a date was fixed by the two parties for the next round of talks.

Nevertheless, Premier Zhou was devising strategies within a command tent, and he was actively thinking of how to conduct a new struggle. The comrades of the guiding group were also making suggestions, thinking of ways and means, to seize every opportunity to do things favorable to our side and to boost the progress of the talks.

Like being startled by the first thunder in spring, the whole world was shocked in August 1956: The Chinese side unilaterally announced the lifting of the ban on U.S. reporters entering China, while a telegram was sent to 15 important U.S. news agencies, inviting them to send their reporters to China for a 1-month visit!

The U.S. press and State Department were shocked, too, causing sensation. We know that at that time the U.S. Government was practicing a strict news blackout on China, and nobody was allowed to provide true coverage of New China. As a result the overwhelming majority of the American people knew very little about New China, and they were yearning to learn the truth. The decision of the Chinese Government was undoubtedly a difficult problem for the U.S. Government, while the U.S. press became excited, and those U.S. reporters who had received the invitation of the Chinese Government were all the more so; and they successively sent in their applications for their visit to China.

However, the cunning Dulles took no action, and he would not easily lift the ban of the State Department on U.S. citizens, whether ordinary people or reporters, traveling in China. Therefore, at one time almost all the newspapers and magazines in the United States were unanimously criticizing this stubborn position of the U.S. State Department. In wrath they said, as a democratic country which advocates personal freedom that the United States should flagrantly restrict the freedom of travel of its own people was intolerable either under the Constitution or in justice.

For more than a year, the U.S. press pressed the U.S. State Department. Several reporters boldly broke through the blockade despite the ban and visited China. The U.S. youth delegation attending the World Youth Festival in the Soviet Union boldly arrived in China collectively after the conclusion of the festival regardless of the State Department ban, and they were received with the friendship of the Chinese people. They were willing to be punished when they returned to the United States just to visit New China. Toward the end of the 1970's, these people gathered again and revisited China. Then they were all in their fifties. The yearning and friendship of the American people for China has moved us deeply.



Confronting this situation which came all of a sudden, Dulles could hardly remain silent. Weighing the pros and cons, the U.S. State Department was finally compelled to make some concession, to prevent U.S. public opinion from opposing its all-round policy of isolating China. Even so, Dulles had dragged on for a solid year before acting. In August 1957, Dulles quietly negotiated with some U.S. press representatives. He had to compromise somewhat, and finally announced that the United States would allow 24 news agencies to send their reporters to China for visits.

Many U.S. reporters praised Premier Zhou for his marvelous move regarding this event, for he had successfully made the U.S. press fight against the U.S. State Department.

The reason Premier Zhou made this move was his hope of cultivating ties between the American people and New China; at the same time, the U.S. reporters would also be allowed to see what the Chinese people were doing, and what the aim of their activities were under the leadership of the CPC, and he also hoped that the U.S. reporters would brief the American people on the true features of New China.

Premier Zhou's move was also meant to boost the Sino-U.S. talks. In September 1957, I proposed in the talks a negotiatory draft on allowing reporters of the two countries to cover each country under the conditions of equality and mutual benefit, which was turned down. Dulles would never agree to China's sending an equal number of reporters to the United States for visits. He said, Chinese reporters were allowed to enter the United States only when they were eligible under the existing U.S. immigration law. What a sharp contrast between Premier Zhou's active invitation of U.S. reporters and the stiff refusal of Dulles on the negotiatory draft on visits by Chinese reporters. Premier Zhou's broad vision and his wise strategy won the high esteem of the world's public opinion and in particular the American people.

Toward the end of September, I proposed a negotiatory draft on embargo. In mid-October, I proposed the negotiatory draft on cultural exchanges and ties between the two peoples. In early December, I proposed a negotiatory draft on judicature. However, all were turned down.

Because of this stubborn attitude of the United States, the series of drafts I proposed failed to be implemented. These proposals have now become historical documents. Leafing through these documents today, people may see how the United States repeatedly played word games, in an attempt to indefinitely drag the talks on. And their general principle in the Sino-U.S. talks was to drag them on indefinitely.

Time passed with one round of talks after another. By 12 December, the talks had been going on for 73 rounds. During the last round of talks, Johnson announced politely that he would withdraw from the talks, as he was being transferred to Thailand as U.S. ambassador to that country. And he had appointed his assistant Ed Martin to take his place in the talks.

It was not difficult to see that was another of Dulles' tricks and he was trying to replace the ambassador participating in the talks with a counsellor, in an attempt to de-escalate the talks. I promptly stated that I would not agree to such a change. And I politely made it clear to Johnson: The present Sino-U.S. talks were at ambassadorial level. However, Mr Martin was only a counsellor, and he could not possibly represent the ambassador. I said, you cannot be serious about doing such a thing, Your Excellency Ambassador Johnson.

Just as Premier Zhou had said: We are willing to talk, and we are actively striving for some results, but if the United States is not willing to carry on the talks, we may put a stop to them. We are not willing to see the talks break down, but we are not afraid of a breakdown. If the United States wants war, we are ready to keep you company in that war.

Just because we adopted such a lofty stance with the United States, our party was able to maintain the initiative in the struggles of the talks. Thus, after the 734 round of the talks, the Sino-U.S. ambassadorial level talks were interrupted for a year.

Here, I would like to quote Premier Zhou's speech on the Sino-U.S. talks at the Third Plenary Session of the First NPC as a summation of my talks with Johnson over a span of more than 2 years.

Premier Zhou said: "The Chinese side does not oppose publishing a joint statement on refraining from the use of force or armed threats in Sino-U.S. relations. In fact, as early as the Bandung Conference, China had declared that the Chinese people do not want war with the United States, and the Chinese Government is willing to sit down and talk with the U.S. Government, and to discuss the issue of relaxing and eliminating the tense situation regarding the Taiwan region. However, it must be pointed out that the tense situation regarding the Taiwan region was created entirely by the United States by occupying the Chinese territory of Taiwan by force. Therefore, any statement on refraining from the use of force between China and the United States will certainly lead to the relaxation and elimination of this tense situation. At the same time, in reference to how China will liberate Taiwan, it involves China's sovereignty and internal affairs, and we will not allow any foreign country to interfere in this matter. Therefore, a statement by China and the United States cannot interfere with this issue in any manner.

"Although the United States has said that the principle of not resorting to force should be specifically applied to the Taiwan region, it has been opposed to holding Sino-U.S. meetings at the foreign ministers' level to implement this principle, and it has refused to seek and decide on a channel to solve the disputes between China and the United States within a certain period of time. Not only that, but the United States has insisted on its right of so-called "independent or collective self-defense" on China's territory of Taiwan. All this has demonstrated that the United States attempted a onesided statement favorable to itself, to maintain the status quo of the U.S. occupation of Taiwan on the one hand, and to continue to interfere with the Chinese people in liberating Taiwan on the other. Under the circumstances of failing to making such a statement, the United States has attempted to drag out indefinitely the Sino-U.S. ambassadorial-level talks, to achieve the aim of maintaining the status quo of the Taiwan region.

"These attempts by the United States are precisely the reason the Sino-U.S. talks have so far failed to reach an agreement. China will never agree to issuing a statement that is favorable only to one of the two parties, and it will not allow the talks to be utilized by one of the two parties as a means of achieving a onesided purpose. China holds that any joint statement must be mutually beneficial. At the same time, the continuance of the Sino-U.S. talks will be possible only on the basis of mutual benefit."

This passage won the warm and long-standing ovation of the delegates to the NPC.



Today, rereading this passage, the scenes of that time -- the bright eyes of the premier when demonstrating the above-quoted penetrating view, and his erect posture -- reappear before my eyes; and the unremitting efforts Premier Zhou painstakingly made to develop the Sino-U.S. relations are even more unforgettable. (to be continued)

EPA, SCIENTIST STUDY CANCER CAUSES IN XUANWEI

OW281456 Beijing XINHUA in English 1320 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- To cancer specialists here, Xuanwei County is the most dangerous place in China, and the chief troublemaker has been identified as the inappropriate use of soft coal for fuel.

The Yunnan Province area, also known as one of the country's most backward, has the highest rate of death from lung cancer in the nation -- a grim 21 deaths per 100,000 people, according to a 1975 government survey. The figure is triple the national average of seven lung cancer victims per 100,000 population. To find out why, Chinese scientists started research in the 1970s. On this basis, a five-year joint research program was launched in 1983 involving 60 scientists from the Chinese Department of Environmental Hygiene aided by technical data and equipment provided by the U.S. Environmental Protection Agency.

In releasing its first findings, the program has now pinpointed the use of soft coal in local homes as the main cause of Xuanwei's sorrow. But the fuel in wide domestic use throughout China is hard coal. Investigators found that, unlike other parts of the country, Xuanwei residents shunned the use of stoves, preferring instead to cook over open fires set in pits in the center of their two-storey homes. Air tests in the unventilated rooms revealed extremely high concentrations of polycyclic aromatic hydrocarbons, compounds long linked by international medical literature with the spread of cancer. The doctors also found that women and children spent more time indoors, and thus suffered the most from the backward method of heating.

Since Xuanwei's problem became known, most local residents have been persuaded to build stoves with brick chimneys or to buy portable iron stoves. The break with tradition was aided by the government, which provide subsidies and blueprints.

So far, in the most severely affected villages about 70 to 80 percent of the homes have made the change, although some families have resisted due to lack of money or out of stubbornness, according to an environmental hygiene official. Meanwhile, according to the program manager, Dr. He Xingzhou, work will now focus on a comparative study with other coal-burning areas in the country and on separating and identifying the composition of principal carcinogens.

The project has already aroused high interest among its American partners, Dr. He notes, at least partly because Xuanwei's stable population allows greater continuity in its research. He quoted Dr. Bernard Goldstein, EPA assistant administrator for research and development, as calling the study "one of the most promising and exciting projects" involving the Washington agency.

COMMENTARY SAYS 'TEAM SPIRIT-85' HARMS DIALOGUE

OW010918 Beijing XINHUA in English 0903 GMT 1 Mar 85

["Commentary: U.S.-South Korean Military Exercises Inappropriate (by Gao Haorong)" -- XINHUA headline]

[Text] Pyongyang, March 1 (XINHUA) -- The U.S.-South Korean "Team Spirit-85" joint military exercises, which began February 1 and will end in mid-April, have entered their official stage. It was reported that the exercises, the largest since the U.S.-South Korean "Team Spirit" exercises in 1976, involve 200,000 troops as well as aircraft carriers, F-16 fighters and large numbers of new weapons. The troops include those from Hawaii, Guam, and Okinawa.

The Democratic People's Republic of Korea has strongly condemned the exercises, which have increase/ tension on the Korean peninsula at a time when relations with the South had been improving.

The exercises are being held just when the Korean people and the world community had hoped that North-South relations would get even better. It is disappointing that the United States and South Korea were willing to jeopardize these improvements, which were a long time coming. This inappropriate military action taken by the U.S. and South Korea has created a harmful atmosphere for North-South Korean dialogue.

Indeed, the U.S.-South Korean military exercises are not in the interest of the peace and stability in Northeast Asia, and are incompatible with the Korean people's aspirations. Furthermore, neither the United States nor South Korea will benefit from them.

SEOUL OPPOSITION WANTS KIM TAE-CHUNG BAN LIFTED

OW281002 Beijing XINHUA in English 0900 GMT 28 Feb 85

[Text] Pyongyang, February 28 (XINHUA) -- The New Korea Democratic Party (NKDP), the newly founded opposition party in South Korea, yesterday strongly demanded an end to the political bans imposed on opposition leaders Kim Tae-chung and Kim Yong-sam, who are under house arrest. According to news reaching here, the demand was made by NKDP Chairman Yi Min-u at a news conference yesterday. He also called on South Korea authorities to release all political prisoners, including students and workers.

Yi told reporters that the February 12 "parliamentary election" was unjust, accusing South Korean authorities of using the election to serve the ruling party. He advocated free speech and press. Yi's party emerged from the "National Assembly" elections with 67 seats in the 276-seat legislature. His party is now the second largest force in the one-house parliament, after the ruling Democratic Justice Party which won 148 seats.

DPRK RELEASES S. KOREAN FISHING BOATS, CREWS

OW281848 Beijing XINHUA in English 1838 GMT 28 Feb 85

[Text] Pyongyang, February 28 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) today sent back two intruding South Korean ships and their crewmen, the KOREAN CENTRAL NEWS AGENCY reported today. The report said that the two ships identified as Swangnam No 12 and Tongju No 2 intruded into the territory waters of the DPRK on February 5 and were apprehended by a patrol boat of the Korean People's Army.

The crewmen admitted they had illegally intruded into the North for fishing and asked for lenient treatment, the report said. It said that the DPRK decided to send them back "in the spirit of the July 4 North-South joint statement and warm feelings of kinship".

#### NODONG SINMUN CALLS FOR NATIONAL REUNIFICATION

OW010754 Beijing XINHUA in English 0741 GMT 1 Mar 85

[Text] Pyongyang, March 1 (XINHUA) -- Korean newspaper, NODONG SINMUN, today calls on the entire Korean people to unite and work for the reunification of their country in the form of a confederal state by surmounting differences in ideology and social systems.

NODONG SINMUN reiterates in an editorial marking the 66th anniversary of the "March 1 people's uprising" that the national reunification should be in line with the three principles of independence, peaceful reunification and great national unity as stated in the "July 4" joint statement signed by the North and South sides. And the most reasonable and fair plan to attain this goal is to preserve the social systems existing in both the North and the South and take the form of confederation.

The editorial stresses that the proposal for tripartite talks is a realistic approach which could lead to peace and peaceful reunification. It calls on the U.S.-South Korean authorities to stop their military exercises that have intensified tension and increased the danger of war. It also urges them to make a positive response to the tripartite talks proposal.

To remove the danger of war and consolidate peace on the Korean peninsula has direct bearing on the safeguarding of peace in Asia and the world as a whole, the editorial says. It appeals for continued support by all peace-loving people of the world for the just struggle of the Korean people for the peaceful reunification of their fatherland.

#### KIM IL-SONG PARTICIPATES IN DPRK ELECTION

HK280351 Beijing RENMIN RIBAO in Chinese 26 Feb 85 p 7

[XINHUA report: "Kim Il-song Participates in Election, Cordially Talks With Voters"]

[Text] Pyongyang, 24 Feb (XINHUA) -- Today, Korea held a nationwide election of deputies to provincial, municipal, and county people's committees. In Pyongyang, the capital city, the national flag could be seen in the freshly redecorated voting stations and cheerful voters went to cast their votes in good order.

According to KCNA, Kim Il-song, secretary general of the Korean Workers Party Central Committee and president of the DPRK, and other party and government leaders, such as Kim Chong-il, O Chin-u, Pak Song-chol, Im Chun-chu, I Chong-ok, and Kang Song-san, cast their votes either in Pyongyang or other parts of the country and cordially chatted with the voters.

The report says that today, by 1200, 100 percent of the voters registered in various parts of the country had cast their votes. Some old people, disabled people, and sick people voted in mobile voting stations.

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PRC INTERNATIONAL AFFAIRS  
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Under the DPRK Constitution, new deputies to the people's committees of the provinces (or chartered cities) are elected once every 4 years and new deputies to the people's committees of the cities (or districts) and counties are elected once every 2 years.

CPC SAID 'READY TO RESTORE TIES' WITH JCP

OW010835 Tokyo KYODO in English 0815 GMT 1 Mar 85

[Text] Beijing, March 1 KYODO -- The China Communist Party (CCP) is ready to restore ties with the Japan Communist Party (JCP) to end 19 years of strained relationship between the two parties, a party spokesman has said.

The spokesman, Wu Xingtang [as received] of the party's International Liaison Department, also said Chinese Communist leaders highly rate JCP for its movement for disarmament and against nuclear weapons.

The most positive sign of rapprochement in many years was given in a letter by the spokesman in response to questions by the Beijing bureau of Japan's KYODO NEWS SERVICE.

The ties between the two Communist Parties became strained in 1966 when their leaders -- Mao Zedong and Kenji Miyamoto -- held extensive talks in Beijing which broke down over ideological differences.

JCP officials criticized the Chinese party leadership for what they regarded as intervention in JCP's internal affairs.

JCP has been pursuing an independent line in the international communist movement.

In the letter, the spokesman said the Chinese Communist Party has been maintaining or restoring relations with communist parties in other countries on the principle of "independence, equality, mutual respect and nonintervention."

He added the party hopes to reestablish contact and ties with other communist parties on the same principle.

Referring to JCP, the spokesman said the party commended "all peace loving (Japanese) political parties, including the Japan Communist Party" for their efforts to bring about peace and disarmament and to oppose nuclear weapons.

The remark was interpreted by Japanese sources here as a prelude to CCP's attempt to ease the strained relations between the two parties.

The sources noted that the Chinese and French Communist Parties mended their fences in 1982 despite their unsettled differences.

Party General Secretary Hu Yaobang later admitted the party had made errors in dealing with other communist parties, acknowledging what the party had done was "unfavorable to some (communist) parties."



LI XIANNIAN DISCUSSES VISIT TO THAILAND, BURMA

OW010111 Beijing XINHUA in English 0101 GMT 1 Mar 85

[Text] Beijing, March 1 (XINHUA) -- Chinese President Li Xiannian said here today that expanding friendly relations with neighboring countries including Burma and Thailand and an important place in China's foreign policy. He made this statement in an interview with XINHUA before leaving here next Monday on his scheduled visit to Burma and Thailand.

Li said that China had maintained close friendship and cooperation with these two close neighbors. A traditional friendship bound the Chinese and the Burmese and Thai peoples, he added.

China had entered a new historical stage of socialist construction, President Li said. The Chinese people, who were working wholeheartedly for their country's modernization, sincerely needed peace as well as friendship and cooperation with all peoples.

"It is with this conviction that I am looking forward to a wide-ranging exchange of views with Burmese and Thai leaders on bilateral relations and international issues of common concern," he added. Li expressed the belief that the sincere and friendly talks would deepen mutual understanding and friendship, and promote friendly cooperation in broader fields.

He also expected to meet old friends and make new ones while touring various places as well as learn from the experiences of the Burmese and Thai peoples in building their own countries, the president said. He added he was convinced that his visit would be a complete success.

BURMESE DELEGATION IN KUNMING FOR BORDER SURVEY

OW281644 Beijing XINHUA in English 1638 GMT 28 Feb 85

[Text] Kunming, February 28 (XINHUA) -- Preparations for Sino-Burmese joint border inspection have been completed and Burmese personnel for the inspection who arrived here from Rangoon yesterday will soon join their Chinese counterparts in the work. The Sino-Burmese joint border inspection committee held its first session at the end of last December, at which a summary of discussions was signed. The two sides agreed to begin field survey of the 2,100-km border in the first half of this year. This evening, Deputy Governor of Yunnan Province Zhu Kui met and gave a banquet for the Burmese personnel.

SOVIETS CONDEMNED FOR CONTINUED SFV MILITARY AID

OW010746 Beijing XINHUA in English 0654 GMT 1 Mar 85

[Text] Beijing, March 1 (XINHUA) -- Radio Democratic Kampuchea today strongly condemned the Soviet Union for providing military supplies to Vietnam and called for an immediate Vietnamese withdrawal from Kampuchea in accordance with relevant U.N. resolutions.

The radio said in a commentary that the Soviet military attache to Hanoi declared at a reception on February 22 that his country would continue to grant essential military aid to Vietnam and this pledge was acclaimed by the Vietnamese paper PEOPLE'S ARMY

The radio pointed out that continuous Soviet military aid to Vietnam shows that the Soviet Union and Vietnam will never give up their ambitions for expansion in Southeast Asia, but will continue to aggravate the tension in the area.



Vietnam's recent attacks on the Kampuchean refugees along the Kampuchean-Thai borders were condemned by the peace-loving and just-upholding countries throughout the world, the radio pointed out. They urged Vietnam to stop its criminal action in Kampuchea at once. Meanwhile, the ASEAN nations summoned Soviet diplomats, demanding that the Soviet Union stop its military aid to Vietnam which has been used to slaughter the Kampuchean people and undermine peace and stability in the area. But the Soviet Union turned a deaf ear to their appeal and pledged to continue its military aid to Vietnam.

The radio said the Soviets' stubbornness also shows that the Soviet Union and Vietnam never want to seek a peaceful solution to the Kampuchean problem and they still stick to their strategy of aggression and expansion in Kampuchea and Southeast Asia as a whole. The radio called upon the whole world to increase support for the Coalition Government of Democratic Kampuchea and press Vietnam to withdraw from Kampuchea so as to ensure peace in Southeast Asia.

#### GROUP LEAVES FOR EDUCATIONAL CONFERENCE IN BANGKOK

OW280801 Beijing XINHUA in English 0640 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- An eight-member Chinese Government delegation headed by Vice-Minister of Education Zhang Wensong left Beijing today to attend the fifth Asia-Pacific regional conference of education and economic planning ministers in Bangkok. The eight-day conference which opens on March 4 is aimed at eliminating illiteracy, promoting universal primary education, improving curricula and teaching methods and boosting higher education.

"The conference will provide a good chance for China to learn from the experience of other countries," Zhang said. The conference would contribute to improving education and promoting better understanding and friendship between educators of the region, he added.

The Chinese delegation would join its counterparts in making the forthcoming gathering a success, Zhang said. Speaking of the present situation in China's education, Zhang said that 32.2 percent of the country's senior middle school students were studying at various vocational and technical schools, and 95 percent of the school-age children had been enrolled into primary schools.

The regional conference is held once every six years. The last one was held in Sri Lanka in 1978, and China attended.

#### JIANGXI TO HOLD INVESTMENT SYMPOSIUM IN HONG KONG

HK281113 Beijing XINHUA Hong Kong Service in Chinese 0133 GMT 27 Feb 85

[Report by reporters Jiang Qiusheng and Xiong Dianda: "Jiangxi Will Hold Large-Scale Economic, Technological Cooperation Symposium and Export Commodity Exhibition in Hong Kong" -- XINHUA headline]

[Text] Nanchang, 27 February (XINHUA) -- Jiangxi Province is to hold a large-scale economic and technological cooperation symposium and an export commodity exhibition simultaneously in the Hong Kong Exhibition Center, which will last for 12 days beginning 8 March.

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Ni Xiance, head of the symposium delegation, vice governor of Jiangxi Province, and director of the provincial Department of Foreign Economic Relations and Trade; Zhou Zheping, head of the exhibition delegation; and others will arrive in Hong Kong in the first 10 days of March.

Delegation head Ni Xiance disclosed: During the symposium Jiangxi Province will open up 100 projects to foreign investment and the amount of investment involved will total \$1.2 billion. The province is also preparing to import 162 items of technology through this symposium, which involves an amount of \$130 million in investment. The main contents of these projects are the comprehensive harnessing and development of the Gong Jiang and the Boyang Hu; the development of animal husbandry, aquatic products, and food processing industries; the joint exploitation of such nonmetallic mineral resources as quartz, sand and marble, and of metallic mineral resources, such as rare-earth minerals, aluminum, zinc, tantalum, niobium, and tin; and the joint development of the ceramic industry.

The vice governor pointed out: As far as compatriots from Hong Kong and Macao who do business and engage in exploitative undertakings in Jiangxi are concerned, we will effectively protect the legal rights and interests of the investors and collaborators according to the principle of equality, mutual benefits, and even profit concessions. In accordance with state policies and decrees and in the light of the province's actual conditions, we will relax policies relating to the utilization of foreign capital and the absorption of technology and give the investors and collaborators preferential treatment.

In the forthcoming large-scale export commodity exhibition, more than 1,000 commodities will be put on display and some products that have long enjoyed a good reputation will also be among the exhibits.

SHENZHEN SUPPLYING MORE FRESH WATER TO HONG KONG

OW281620 Beijing XINHUA in English 1503 GMT 28 Feb 85

[Text] Shenzhen, February 28 (XINHUA) -- The recent expansion of water pumping facilities has enabled Shenzhen in Guangdong Province to supply more fresh water to Hong Kong, which lacks substantial water resources.

Shenzhen supplied 290 million cubic meters of fresh water to Hong Kong in the past year, an increase of 35 million cubic meters over the previous year, and accounting for about half of the total water used in Hong Kong.

The second phase of Shenzhen's water supply expansion projects, completed last month, includes six water pumping stations built on a canal between the Matan and Yantian reservoirs, to pump water diverted from the Dongjiang River, one of the three main rivers in the province.

Shenzhen began to supply Hong Kong with fresh water in March 1967. It has since supplied a total of 2,524 million cubic meters of fresh water to the region.

SINGAPORE AIRLINES, CAAC TO BEGIN SERVICE

OW281930 Beijing XINHUA in English 1842 GMT 28 Feb 85

[Text] Hong Kong, February 28 (XINHUA) -- The Singapore Airlines (SIA) and the Chinese national airline (CAAC), agreed today to open air service between the two countries in a few months.

Under the agreement, SIA will start its regular Singapore-Shanghai-Beijing flight on May 15 while CAAC will begin to operate on a Beijing-Guangzhou-Singapore line on June 17.

The CAAC delegation headed by Lu Ruiling, deputy director of the International Affairs Department and the Singapore airlines delegation led by Michael Tan, SIA's commercial director, held talks toward this end on February 26 and 27 in Singapore.

FUJIAN'S HU HONG MEETS AUSTRALIAN GUESTS

OW271834 Fuzhou FUJIAN RIBAO in Chinese 11 Feb 85 p 1

[Dispatch by Huang Xiaoming]

[Text] On the evening of 10 February, at the Xihu Guesthouse, Hu Hong, chairman of the provincial People's Congress Standing Committee, met with Australian Ambassador to China Argall, Commercial Counsellor Dulfer-Hyams and representative from the State of Tasmania Mr (Davis), who were visiting our province.

In a cordial and friendly atmosphere, the host and guests held conversations. Chairman Hu Hong warmly welcomed Ambassador Argall and his party, who had come to our province to visit and promote friendly cooperation between Australia and Fujian. They reviewed the continuous development of friendly relations between Fujian and Australia and its Tasmania state. They expressed satisfaction with the steady growth of friendship between Australia and China.

In the conversations, the two sides agreed to extensively increase their mutual understanding and to further promote their friendly cooperation in the political, economic, and cultural fields, especially in such projects as agriculture, livestock production, fruit orchards, forestry, aquatic culture, processing industry, and dredging of waterways.

Present at the meeting were Wen Xiushan, Liu Shouming, Tian You, and Hong Yongshi. After the meeting, Comrade Hu Hong hosted a banquet for the distinguished Australian guests.

UK ECONOMIC TRADE DELEGATION ARRIVES IN BEIJING

LD281645 Beijing XINHUA in English 1200 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- A British economic trade delegation led by Minister Without Portfolio Lord David Young flew in here this afternoon on an official visit to China as guests of Chinese State Councilor and Minister of Foreign Economic Relations and Trade Chen Muhua.

This is one of the high-level economic groups the British Government has sent to China in recent years, composed of six government officials and business leaders from ten British airlines, engineering, aerospace, telecommunications and other corporations.

In the airport's V.I.P. lounge, Jia Shi, vice-minister of foreign economic relations and trade, told Lord Young the visit was arranged at last year's Beijing talks between British Prime Minister Margaret Thatcher and Chinese Premier Zhao Ziyang. The visit, Jia said, would help promote Sino-British economic and trade relations and give the British people a better understanding of China. He wished the British visitors a happy journey in China.

Lord Young said he expected a most enjoyable visit. It would be a beginning of a new period of fruitful economic and trade relations, he said.

Observers here say the signing of the joint Sino-British declaration on the Hong Kong question has opened more avenues for Sino-British economic relations and trade. The delegation's visit marks a new development in relations. While in Beijing, Lord Young will have talks with Chen Muhua on the further development of economic relations and trade. He will also confer with leading members of other Chinese departments. The British visitors were also greeted at the airport by British Ambassador Sir Richard Evans.

HEAVY COSTS OF UK MINERS STRIKE ANALYZED

OW281924 Beijing XINHUA in English 1853 GMT 28 Feb 85

["News Analysis: British Miners' Strike Coming Closely to an End (by Cheng Kexiong)" -- XINHUA headline]

[Text] London, February 28 (XINHUA) -- The 51-week British miners' strike took a significant turn yesterday with the National Coal Board (NCB) announcing that more than 50 percent of the country's 186,000 miners are now at work, a "milestone" hailed by NCB officials as a symbol of a return to sanity in the industry.

Although the National Union of Mineworkers (NUM) challenged the board's figures, the reports on the breaking of the 50 percent barrier have dealt a heavy blow to the spirits of the striking miners. Observers here expect that the longest miner strike in the country's history will come to an end very soon, probably in few weeks time, just around its first anniversary.

Various reasons for the turn have been cited here. Although the miners' strike caused a critical fuel shortage for the country's electricity supply in a chilly winter, the government managed to overcome the crisis and keep the power industry running by importing coal and fuel oil from abroad.



Such being the case, the miners turned to the negotiating table but the government refused to talk with them, thus shattering their last hope for success.

During the period, the state machinery tightened pressure on the miners. The high court of the country blocked the transfer of 5 million pounds by the NUM to Luxembourg and declared illegal the striking workers' pickets in some regions.

On February 24, the police, with clubs in hand, suppressed 80,000 people in a march in London in solidarity with the striking miners.

Meanwhile, the government, in a large-scale psychological campaign, lured striking workers back to work with more than 1,000 pounds of duty-free salaries and bonuses for each miner. Facing the government's threat of deadline for the end of the week, many breadwinners, suffering from heavy debt, had to return to work to keep their families going.

Leaders of some left-wing trade unions did what they could to support the miners. The railway trade union, for instance, refused to deliver coal, thus threatening some railway workers with unemployment. At present, although the left-wing unions are still trying by various means to help the miners union, they believe it will be difficult to continue their efforts for much longer.

In view of the present situation, observers estimated that the miners union now faces the following options:

- To continue the strike. This move would be backed by mines facing the threat of sharp job cutbacks, but most mines may fail to withstand the pressure to return to work.
- To unilaterally carry out an overall return to work. This organized retreat could avoid the humiliation of admitting defeat.
- To transfer the decision-making power to the local miners unions.

In taking any of the three decisions, although the principle of opposing pit closure and layoff will not be abandoned, miners would effectively admit defeat.

Even if the government wins, its costs will also be heavy. The economic losses will be far beyond the official figure of two billion pounds (more than 1.8 billion U.S. dollars). The record high losses in the country's international payments, the sharp rise of the government's public credit and the weakened position of the pound have all put the government's planned tax reduction in the next fiscal year in danger.

Politically, recent nationwide poll results show that the popularity of the Conservative Party has fallen to the level of the Labour Party. A great number of Conservatives have turned to the alliance of the Social Democratic and Liberal Parties.

The Thatcher government is not in danger of falling and its defeat of the miners strike will be hailed by the middle and upper classes. But the problem of unemployment, running at 13.9 percent, and even 15 to 30 percent in many mine areas, will not be solved and will degenerate even further.



SCHOLARS ATTEND FINNISH LITERARY SEMINAR

OW281940 Beijing XINHUA in English 1844 GMT 28 Feb 85

[Text] Helsinki, February 28 (XINHUA) -- Nationwide activities celebrating the 150th anniversary of the publication of Finland's national epic, Kalevala, reached their climax today with a commemorative committee and hundreds of people placing wreaths at the statue of Elias Lonnrot, compiler of Kalevala, in the capital. Finnish President Mauno Koivisto attended a grand commemorative meeting here this evening.

Kalevala is a lengthy narrative poem which depicts the conditions and ideas of the pre-Christian period. Finnish rural doctor, Elias Lonnrot, compiled the epic from old ballads, lyrical songs and incantations that were a part of Finnish oral tradition. He published the work on February 28, 1835. Kalevala has played an important role in the evolution of the Finnish national culture and language and is one of the most splendid cultural heritages in the world. Various commemorative activities are being held this year in many countries, including China, to mark the anniversary.

An academic seminar entitled "Kalevala and World Epics" was held recently in the Finnish city of Turku with the participation of more than 100 scholars from Finland, China, the Soviet Union, the United States, Japan, Sweden and other countries.

The specialists from the Chinese delegation submitted "Kalevala in China" and other academic reports to the seminar. They spoke highly of the famous Finnish epic and said that the collection of folk literature in Finland would afford Chinese writers useful experiences in their compilation of Chinese epics.

PRC PRESENTS PAPER AT AVIATION MEETING IN FRG

OW282156 Beijing XINHUA Domestic Service in Chinese 0300 GMT 27 Feb 85

[Text] Beijing, 27 Feb (XINHUA) -- For the first time, China has presented a paper at an international forum on aircraft maintenance, thus ushering in a new stage of development in aircraft maintenance work in China.

The paper, entitled "Aircraft Maintenance in China -- Heading Toward Modernization," was presented by a delegation of the Maintenance Committee under the China Aviation Society at the fourth international aircraft maintenance conference in the FRG. It is learned that with the exception of China, other delegates reading papers at the conference were from Western countries with highly developed aviation industries.

The paper introduced China's achievements and experiences in modernizing its aviation maintenance work. China now uses scientific methods to service aircraft instead of drawing on experience in trouble-shooting. A rather comprehensive scientific system has been established. Maintenance is now primarily based on testing with modern instruments, thereby basically eliminating the backward method of relying on sensory detection followed by overhauls. These scientific methods of servicing have resulted in more accurate diagnoses of problems, lower labor intensity of service personnel, shorter maintenance time, fewer flight delays due to aircraft malfunction, and a longer service life of aircraft.

The international academic conference opened in the FRG on 26 February.

ARTICLE ON E. EUROPE COMBINING INDUSTRY, TRADE

HK280453 Shanghai SHIJIE JINGJI DAobao in Chinese 11 Feb 85 p 9

[Article by Meng Xianggang of the Economic Research Center of the State Council:  
"Different Types of Combination of Industry and Trade in East European Countries" --  
capitalized passages published in boldface]

[Text] Not long ago, we conducted an on-the-spot investigation into the foreign trade structure in East European **countries**. We think some of their practices in combining industry and trade are well worth our study.

## 1. FOREIGN TRADE COMPANIES ARE INCORPORATED INTO INDUSTRIAL INTEGRATED COMPLEXES

In reforming its foreign trade structure, the GDR has incorporated most of the specialized foreign trade companies formerly under the Ministry of Foreign Trade into industrial integrated complexes. There are two main types of such foreign trade companies: The first deals in basically the same commodities as are produced by integrated complexes. They are subject to the simultaneous leadership of the Ministry of Foreign Trade and the integrated complexes into which they are incorporated. Their general managers are also leading members of the integrated complexes. There are now 24 such companies, with their total export volume accounting for about 50 percent of the exports of the GDR. The second deal in products of several integrated complexes and are subject to the rural leadership of the Ministries of Industry and foreign trade.

By bringing foreign trade activities into line with the industrial integrated complexes, the GDR has combined production, scientific research, and foreign sales, with both industry and trade jointly undertaking the fulfillment of foreign trade plans. At the same time, the foreign trade companies also have a certain independent character. They practice independent accounting, assume sole responsibility for profits or losses, and act as export agents for the integrated complexes. This practice has succeeded in reducing the contradictions and buckpassing between industry and trade and in raising export efficiency.

## 2. INDUSTRY AND TRADE JOINTLY SET UP A FOREIGN TRADE LIMITED COMPANY

In June 1982 the economic commission of the Polish Council of Ministers adopted a resolution, calling on foreign trade companies to reorganize themselves into foreign trade limited companies, which would then set up management committees whose chairman and members were to be elected by stockholders through democratic elections. The functions and powers of a management committee are similar to those of the managerial office of a former foreign trade company, and its chairmanship is generally assumed by the general manager of the foreign trade company. The management committee is chiefly responsible for organizing and arranging the import and export plans, determining the selling prices of export commodities, organizing cooperation in production, and improving operation and management. The limited company also sets up a supervisory committee, which consists of the representatives of stockholders and which exercises overall supervision over the various economic activities of the company. The enterprises joining the joint-stock company pay for the stocks with bank credits at an annual rate of 9 percent. There are 25 such companies in Poland, chiefly concentrating on product processing.

By setting up foreign trade limited companies Poland has unified foreign trade companies, production enterprises, and domestic consumers into an organized economic entity. Because industry and trade have combined on a voluntary basis and have common economic interests, they can coordinate with each other on their own initiative and work together amicably.

### 3. INDUSTRY AND TRADE CARRY OUT JOINT OPERATIONS IN WHICH THEY ASSUME JOINT ECONOMIC RESPONSIBILITIES

In reforming its foreign trade structure, Hungary has adopted a method of industry-trade joint operation on the basis of preserving the independent character of both industry and trade in order to strengthen the links between industry and trade. There are two forms of joint operation: The first is joint operation without an independent economic entity, with foreign trade companies responsible for sales abroad and industry and trade assuming joint responsibility for profits or losses; the second is joint operation with an independent economic entity, such as setting up a joint or subsidiary company. Judging from its content, the joint operation can also be divided into two kinds, one responsible for sales and the other responsible for both production and sales. In the first instance, industry and trade share profits and take risks only in foreign sales activities, while in the latter, the scope of joint operation is expanded to the fields of production and sales abroad. At present the form of joint operation accounts for 40 percent of the turnover of specialized foreign trade companies in Hungary. The Hungarian side said that this practice has enabled industry and trade to unify their economic interests and to effectively promote their cooperation in the fields of production and circulation.

Although the methods of combining industry and trade in various East European countries are not the same in every respect, they are all aimed at arousing and bringing into play the enthusiasm and initiative of both the foreign trade enterprises and the production enterprises so that the advantages of both industry and trade can be combined, production can be linked with sales, and production and foreign trade can develop jointly. Naturally, their methods have not achieved perfection and are still in the process of exploration, but they may inspire us in the reform of our foreign trade structure.

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ZHANG JINGFU, RAFSANJANI TALK IN TEHRAN

OW010158 Beijing XINHUA in English 0131 GMT 1 Mar 85

[Text] Tehran, February 28 (XINHUA) -- Speaker of Majlis (parliament) Hashemi-Rafsanjani and visiting Chinese State Councilor Zhang Jingfu held talks today and expressed the desire for further development of the two countries' friendly cooperation. Zhang, who is heading a Chinese economic delegation, arrived here on February 26 for an eight-day visit to Iran.

PRC ENVOY TO CAPE VERDE PRESENTS CREDENTIALS

OW281910 Beijing XINHUA in English 1840 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- The new Chinese Ambassador to the Republic of Cape Verde Liang Taosheng presented his credentials to the President of Cape Verde Aristides Pereira Tuesday, according to a report from Praia, the capital of Cape Verde.

In a meeting with Liang, Pereira praised the friendship that exists between the two countries and said his country pays much attention to the development of good relations with China.

Earlier, Liang called on Foreign Minister Silvino Manuel da Luz.



RENMIN RIBAO REPORTS ON NICARAGUA'S PEACE PLAN

HK281230 Beijing RENMIN RIBAO in Chinese 28 Feb 85 p 6

[Report: "Nicaragua Makes Central American Peace Proposal to U.S. Congress"]

[Text] According to reports from foreign news agencies, after having concluded a meeting with five high-ranking Catholic figures, Nicaraguan President Ortega announced his Central American peace plan in an interview with reporters.

Ortega said that he had already sent to the leaders of the U.S. Congress a detailed proposal on maintaining peace in Nicaragua and in Central America. He planned to invite delegations from the two parties in the U.S. Congress to visit Nicaragua, so that they could understand the real military situation in Nicaragua.

He also said that he would adopt measures to restore the Contadora Group's peace process in Central America.

On the same day, U.S. House Speaker O'Neill pointed out that he predicted that it was impossible for President Reagan to obtain enough votes in Congress to approve military aid for the Nicaraguan anti-government forces. He talked about this during a meeting in Washington between the Nicaraguan deputy foreign minister and U.S. congressmen.

In the meeting, the Nicaraguan deputy foreign minister made vigorous attempts to persuade the U.S. congressmen to provide no further military aid to the Nicaraguan anti-government forces.

CANADIAN DEFENSE COLLEGE DELEGATION GIVES BANQUET

OW281718 Beijing XINHUA in English 1636 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- The visiting Canadian National Defense College delegation gave a return banquet here tonight.

Among those present were Deputy Chief of General Staff of the Chinese People's Liberation Army Xu Xin, Deputy Commandant of the Chinese P.L.A. Military Academy Zuo Liang, Canadian Ambassador to China Richard V. Gorham and Military Attache of the Canadian Embassy here Col. J. Storr.

Delegation leader and Commandant of the Canadian National Defense College Major General Richard Evralre and Xu Xin spoke at the banquet.

The delegation will leave tomorrow for a tour of other parts of China.



PROFIT SEEN AS GOAL OF SOCIALIST ENTERPRISES

HK270705 Beijing GUANGMING RIBAO in Chinese 10 Feb 85 p 3

[Article by Fang Gongwen: "Profit Is the Direct Aim of Socialist Enterprise Production"]

[Text] A Question Raised on the Realities of Economic Life

The aim of production in socialist society is to meet people's evergrowing needs in their material and cultural lives. This is undoubtedly correct. However, the production aim of enterprises was often deduced from the aim of social production, and the aim of socialist enterprise production has also been regarded as meeting people's needs, while at the same time setting people's needs against the pursuit of profits. That was a long-term traditional view, which I myself held as well.

However, in the realities of economic life, a vastly different situation often appears. Enterprises will strive to produce or manage whichever commodities are high in price and which will bring in bigger profits, and will be reluctant to do otherwise. In reference to products in ample supply which are price high and will bring in big profits, no restrictions on them seem to be effective. While regarding those products in short supply, which have low prices and will bring in small profits, the enterprises are not so enthusiastic about their production, even if a mandatory plan is issued without adopting some economic means, and their short supply can hardly be changed. Why should this situation exist? Theoretically speaking, the aim of production of socialist enterprises is to meet social needs, but why is it they are always starting from profit in practice? Is this because of bourgeois ideas about operations on the part of leading members of the enterprises? Why has it always been ineffective in the past to repudiate the ideas "putting profit in command," and "doing business in a big way only when there is big profit, doing business not so enthusiastically when the profit is small, and doing no business at all when there is no profit." Can it be an objective economic inevitability?

All these facts have caused people to ask: Is the direct aim of socialist enterprise production to meet people's needs or to make profits?

Taking the Commodity Economy as the Starting Point in Considering the Question

The "decision of the CPC Central Committee on reform of the economic structure" has explicitly affirmed: Socialist society practises a planned economy on the basis of public ownership of the means of production; and the enterprise should be a relatively independent economic entity and should become a producer and operator of socialist commodity production that is independent and responsible for its own profits and losses. This is our basic starting point in studying the aim of the production of socialist enterprises. Starting from this point, there is a need to restudy the view that the direct aim of socialist enterprise production is to meet people's needs.

To meet people's needs is the property of the use value of objects. If we say the aim of socialist enterprise production is to meet people's needs, we must equally say that the aim of socialist enterprise is to acquire use value. To understand the aim of production of socialist enterprises in this way is obviously not suitable to the role of socialist enterprises as commodity producers.

Marxism holds that commodity production is production in which the aim of the production of a certain commodity by the producer is not to acquire the use value of this commodity, but to produce value, namely, to exchange the commodity he has produced for the use value he himself needs.

Marx said: "A commodity has no direct use value to its possessor. Otherwise, he would not take it to the market. His commodity has use value to others. To him, his commodity has only such direct use value as: It is the bearer in the exchange of value, hence the means of exchange." ("Complete Works of Marx and Engels" Vol 23 p 103) Therefore, the production of value is the direct aim of the commodity production of commodity producers. If use value is regarded as the aim of the commodity producers in producing a commodity, there will be no need for them to sell their products, neither will there be any need to carry out commodity exchange. Regarding the aim of socialist enterprise production as meeting people's needs and achieving use value in practice negates the fact that socialist enterprises are commodity producers and that the socialist economy is a commodity economy.

Regarding the aim of socialist enterprise production as meeting people's needs is starting from the theory of the product economy. Under the condition of a product economy, the whole society is more or less a huge factory, while the enterprises are just some workshops or production teams in it. Between workshops and production teams, there naturally does not exist the relation of commodity exchange, for they organize their production based on the needs of the factory and the tasks assigned to them, and their products belong to the factory, as well. Comparing the relations between socialist enterprises and the whole society to the relations between workshops or production teams and a factory, the enterprises will no longer be relatively independent economic entities, nor will they be commodity producers. And their aim in production will certainly not be value, but creating use value to meet social needs.

If it is held that socialist enterprises' production is carried out to directly meet people's needs, the following question arises: How can an enterprise know about the complicated social needs without relying on the market? The only channel for learning about social needs is the representative of society -- the state. Thus, the national plan has naturally become the symbol of social needs. However, in the present phase of socialist society, the state cannot possibly make an accurate forecast of the ever-changing needs of the one thousand and one varieties of products of the whole society, and draw up an accurate plan. Based on the experiences of our country over the past 30 years and more, if the state draws up an overall and specific plan including the economic activities of all the enterprises, it is unlikely to be scientific. If the enterprises organize their production according to such a plan, the result will inevitably be the overstocking of many products, while the products society really needs will be in short supply. Thus production is carried out to meet the needs in name only. Actually "production is only carried out to fulfill the plan."

With the belief that socialist enterprises carry out their production to directly meet people's needs another question arises: How is the production of the enterprises to meet people's needs? If an enterprise is to carry out its production with the aim of exchange, and it has no way to distribute its products directly to every consumer, it has to sell its products to the state, and will let the state do the distribution. And that is how the system of unified purchase and distribution came about over a long period of time. Under such a system, the enterprises only had to turn over their products to the state or departments designated by the state, and they were regarded as having fulfilled the task of meeting people's needs. As to whether their products genuinely met people's needs, the enterprises had no idea and had no need to know about it. The production of value was not the aim of the enterprises, and value lost its importance in theory. Therefore, it was a universal phenomenon to attach no importance to economic results and to not care about making profits or suffering from deficits.

If we genuinely acknowledge that the socialist economy is a commodity economy, and that socialist enterprises are relatively independent commodity producers, we must also acknowledge that in reference to socialist enterprises as commodity producers, their aim of production, like that of all other commodity producers, is not the use value of commodities but value itself.

Moreover, they are different from small-scale commodity producers. Regarding small-scale producers, the realization of commodity value is to get back the use value in their needs in production and making a living. Under the condition of socialized production, the commodity producers do not restrict themselves to recouping the use value, but rather it is more important to make a profit in realizing the aim of their commodity value. In capitalist society, only by making profits will the capitalists be able to realize their desire to accumulate wealth without any restrictions. While in socialist society, only by making profits will the enterprises be able to continuously expand the scope of production, and will they be able to meet the evergrowing needs of the laborers in enterprises and the whole society.

In reference to socialist enterprises, profit has a direct bearing on the material interests of the workers and staff members of the enterprises and the whole people, and it is the inner motive force for developing the enterprises' production. Only when we come to the advanced phase of communism, when commodity production expires and such realms as value and profit will no longer exist, and the enterprises no longer have their specific economic interests, and only then, will the direct aim of the production of the enterprises be one with the aim of social production, with both meeting the people's needs. But if we should negate the difference in the aim of production between the enterprises and the whole society, holding that meeting the people's needs is the direct and sole aim of socialist enterprises, that would be smothering the inner motive force of the enterprises, and would finally affect the realization of the aim of socialist production.

#### To Not Negate the Aim of Production of Socialist Society

When we say that the direct aim of the production of socialist enterprises is profit, have we confused socialist enterprises with capitalist enterprises? Do we mean to negate the aim of the production of socialist society?

The answer is no. Whenever profit was mentioned in the past, it was regarded as something capitalist. That was wrong. As an economic realm, profit gives expression to different production relations under different conditions. In capitalist society, it is a converted form of surplus value, and gives expression to the relations whereby the capitalists possess, without compensation, the surplus value of the employed laborers, while in socialist society, it is the converted form of the value of the surplus products produced by the laborers. Most of it is contribution made to the society and the collective by the laborers, with a small portion of it used in improving the laborers' living standards, which gives expression to the relations between material interests of socialist laborers and the society, and the collective and the individual under the premise of the unanimity of their basic interests. The nature of these two kinds of profit are basically different.

In socialist society, regarding the whole society, production is to meet the people's needs. In reference to each individual enterprise, the direct aim of production is profit. It seems that the two are diametrically opposed to each other, but actually, regarding their basic nature, they are unanimous. In the final analysis, the production of socialist enterprises is also to meet the people's needs although indirectly. Therefore, as commodity producers, socialist enterprises possess the common characteristics of all commodity producers on the one hand. On the other, they are not commodity producers under the condition of private ownership, but commodity producers under the condition of the public ownership of the means of production. Therefore, their aim of production is to finally serve the interests of the whole society.



First, socialist enterprises must show concern for the use value of their products, so as to realize their commodity value and thereby increase profits, and they must do their best to produce high-quality and marketable commodities and to constantly understand the conditions of the market and the changes in the needs of the consumers. It is precisely with the help of the market that the commodities produced by socialist enterprises meet the people's needs. The socialist market is a market without the participation of capitalists, and it is the barometer that gives expression to the people's needs and is quick and sensitive in reaction. The market will do a better job in meeting the people's needs than such means as the direct distribution of products.

Second, socialist enterprises are enterprises whose means of production are under public ownership, and all their production and managerial activities are carried out under the guidance of society. The production of the whole society is to meet the people's needs; through mandatory and guidance plans, through economic means and levers such as prices, taxes, loans and interest rates, and through administrative means and economic legislature and so on, the society (represented by the state) brings the production and managerial activities of every enterprise into line with the general goal of meeting the people's needs directly or indirectly. Under the guidance of the general goal of society, the more profits the enterprise realizes, the greater the contributions that are made to meet the people's needs. And if an enterprise should deviate from this general goal, the state may apply sanctions against it through economic, administrative, and even legal means.

And lastly, what socialist enterprises are interested in is profit. However, only a small portion of the profit is left at the disposal of the enterprises, while most of it is handed over to the state through different channels. The profit delivered to the state represents the surplus products contributed to society by the workers and staff members of the enterprise concerned. Generally, the more profit handed over to the state by an enterprise, the greater the contribution it has made. Of the part of profits retained by the enterprise, most of it is used as funds to develop production, which in the end is to meet the people's needs indirectly; while a small part of it is used in collective welfare undertakings and in increasing the income of the workers and staff members; as the workers and staff members of an enterprise are a component part of the laborers of the whole society, this is not contradictory to meeting the people's needs. Therefore, although the aim of the production of socialist enterprises is to make profits, the final goal is to meet the people's needs, just as the thousand rivers will eventually find their way to the sea.

#### To Acknowledge Contradictions Is To Solve Them

Will the acknowledgement that the direct aim of the production of socialist enterprises is to make a profit encourage the enterprises to seek profits in blind disregard for social needs? To my mind, such worries are understandable but unnecessary. This is because making a profit is the direct aim of the production of the enterprises, and has an objective existence, independent of our subjective acknowledgement. We refused to acknowledge that making a profit is the direct aim of the production of the enterprises in the past; however, the enterprises were still pursuing profit according to objective economic law, and we failed to put a stop to the phenomena of pursuing profits blindly. Now we acknowledge that making a profit is the direct aim of the production of the enterprises. This does not mean that we can make allowance for the blind pursuit of profit; on the contrary, this is to encourage the enterprises to pursue profit properly, at the same time, to enable ourselves to guide the enterprises more conscientiously and to prevent the enterprises from injuring social interests in the pursuit of profit.

We have discussed the basic unanimity between the direct aim of the production of socialist enterprises and the aim of production society. However, there are contradictions between the two.



Sometimes, the production and managerial activities of the enterprises in pursuing their own profits do not conform to the general goal of meeting social needs, just as is pointed out in the "decision": "The extensive growth of a socialist commodity economy may also lead to certain production disorders." However, such a contradiction is one between partial interests and overall interests under the premise of the unanimity of the basic interest, and one of a nonantagonistic nature; therefore, it is entirely possible for us to solve this contradiction correctly.

Profit is the direct starting point of the economic activities of enterprises, and producing more and better products in conformity with the people's needs is the starting point of the economic activities of society (with the state as its representative). Fundamentally, these two are unanimous; but specifically, they are contradictory. And the way to solve the contradiction is to find a means of linking the two. Through this means, it is possible to achieve a situation whereby industries, trades, and products which should be developed according to social needs are profitable for the enterprises; and industries, trades, and products which do not conform with social needs, or which have been overdeveloped, will have very little profit or will even be unprofitable for the enterprises. In this way, the enterprises will start from their own economic interests, and will conscientiously develop production which is needed by society, and will voluntarily restrict and reduce production which is not needed by society. This will include economic, administrative, and legal means, with economic means playing the major role.

For their own economic interests, the enterprises will reach out their antennae in all directions to collect information concerning market forecasts, changes in supply and demand, technological development, fluctuations in prices, changes in interest rates, credit conditions and so on, in order to find the road which is most favorable to themselves. The state may utilize economic levers such as prices, tax rates, interest, and wages, and provide information to the antennae of the enterprises, so that they will voluntarily follow the social needs. Comrade Sun Yefang has figuratively compared the grasping of profit on the part of the enterprises to taking a cow by the nose. By taking a cow by the nose, it will follow its master wherever he goes; similarly, the microeconomic activities of the enterprises can be brought into line with the harmonious development of the macroeconomy. And these economic levers are like the rope that is tied to the nose of the cow. Here, necessary administrative and legal means are indispensable. However, in applying administrative and legal means, they should be coordinated with economic means. The application of administrative and legal means alone is often inefficient. For instance, when mandatory indexes are issued to some enterprises or for some categories of products, it is necessary to adopt some economic measures at the same time, so that the enterprises may receive normal profits while implementing the mandatory indexes, otherwise, the fulfilment of the mandatory indexes will not be ensured.

The contradiction between the direct aim of the production of enterprises and the aim of social production is often exposed in actual economic life, and sometimes, it can be very acute. To my mind, there are two conditions. One condition is that some enterprises disregard social interests in pursuit of their own economic interests, and even make a profit at the expenses of social interest. With regard to such a condition, society should make the administrative, supervisory and legal systems complete and perfect, and economic, administrative, and legal punishment should be meted out according to different cases. Such a condition is rare.

Another condition is that of mistakes in making strategic economic decision or in applying economic levers on the part of society, whereby the enterprises receive erroneous information, which leads to blindness in production and the management of the enterprises. The repetition and blindness in the building of some trades and the development of some products which have emerged in recent years are of this category.

Despite the fact that we have restricted the building of certain categories of enterprises and the development of some products by administrative means, we have at the same time enabled the development of such production to obtain a good profit under our price, tax, and investment policies. Thus we have economically encouraged their development. The chief responsibility for the emergence of such a condition does not lie with the enterprises but with society.

One of the causes is the denial that the direct aim of the production of enterprises is to make a profit; hence, the denial of the importance of regulating economic interests, which has led to the negligence of the application of economic levers in practical work, and the sole reliance on administrative means. If the role of economic levers is subjectively neglected it will be impossible to correctly apply them, and will make economic levers play a role that runs counter to the plan; hence the strange phenomenon of "planned anarchy." From now on, with the conscientious application of the economic levers through reform in the economic system, such phenomenon will be prevented. But of course, the phenomenon of the inappropriate use of the economic levers will still exist, thereby requiring us to pay constant attention to the feedback of information through the economic levers and conscientious regulation, so as to be able to constantly maintain the basic balance of the overall development of the national economy.

To link the direct aim of the production of the enterprises with the aim of social production primarily by economic means but also supplemented by administrative and legal means is a new topic for us. The "decision" has pointed out for us the orientation. Through the great practice of the reform of the economic structure, we will maintain the full microeconomic vitality of the enterprises, and will maintain the harmonious macroeconomic development of the national economy.

#### DISCIPLINE COMMISSION ON CHECKING MALPRACTICES

OW281435 Beijing XINHUA Domestic Service in Chinese 0159 GMT 28 Feb 85

[Text] Beijing, 28 Feb (XINHUA) -- The CPC Central Committee's Discipline Inspection Commission recently issued a document which again emphasized that all localities and departments should resolutely implement the regulations of the party Central Committee and the State Council on resolutely checking new malpractices. It called for immediate investigation and stern handling of cases involving failure to implement orders and observe prohibitions, as well as other new malpractices.

On 8 February, the Central Discipline Inspection Commission held a meeting of responsible persons of party groups of departments and commissions under the party Central Committee and the state organs. It laid down plans for rectifying new malpractices. Thereafter, the Central Discipline Inspection Commission Standing Committee held many meetings to further discuss this problem.

The document recently issued by the Central Discipline Inspection Commission first affirmed the new things and good situation emerging on all fronts in the course of reforming economic structure. Meanwhile, it pointed out that reforming the economic structure is extremely complicated work that requires frequent refreshing changes. Mistakes committed at the beginning of the reform due to lack of experience are not to be dreaded. Solving problems is not hard if effective countermeasures are promptly taken. The seriousness of the issue lies in the fact that some localities, departments, and units have not done their best to implement the decisions and circulars issued by the party Central Committee and the State Council on rectifying new malpractices.

They do things as they please and employ crooked means that jeopardize the smooth progress of reforms. These new malpractices are manifested primarily in the following manner: party and government organs, as well as party and state cadres using their powers to run businesses and enterprises, play the market, and resell scarce goods at a big profit; violating policies by raising prices without authorization; giving away money or things under all sorts of pretexts; raising wages at will; wasting public funds on feasts and presents; engaging in fraudulent, deceptive, ostentatious, and formalistic activities; indiscriminately issuing lottery tickets, and promoting sales by awarding prizes; making appointments to higher posts or promoting cadres at the spur of the moment; and excessive circulation of unhealthy tabloids; and so on. The document emphatically pointed out: Above all, the malpractice that produces the greatest harm is "failure to implement orders and observe prohibitions."

The document said: "Implementing orders and imposing prohibitions" is our party's fine tradition. It demonstrates the high sense of organization and discipline within our revolutionary ranks. If "orders are not implemented, prohibitions are not observed"; if party organization and discipline and state laws are ignored; and if the evil trend that undermines the party's organizational principle is not rectified, party organization will lack congruity, discipline will be lax, and anarchism marked by weakness and helplessness will ensue. This will prevent the whole party from achieving unanimity in thinking and actions, and interfere with and disrupt the implementation of policies, decrees, and regulations of the party and the state. This despicable work style affects the people's faith in reform, hampers smooth progress of reforms, and undermines socialist modernizations. If it were allowed to develop, the party organization would erode, and large numbers of cadres would be ruined. This is detrimental to the nation and the people. The hazards are endless.

The document stressed that in reforming the economic structure, it is necessary to further strengthen party discipline. It noted the need to enliven the economy and reform the system. It is all the more necessary to strictly enforce party discipline and government decrees, and resolutely oppose undisciplined and anarchic state of affairs. The document refuted the fallacies that engaging in malpractices can "create values" and "develop productive forces." It pointed out that in the course of reform, enterprises should become more energetic by fully utilizing the self-decision power stipulated in state regulations. However, they should strictly observe the unified regulations of the party Central Committee and the State Council. Do not implement these regulations in a half-hearted or ambiguous manner.

The document reminded the whole party to pay great attention to the most serious malpractice at present; namely, "failure to implement orders and observe prohibitions." It required all localities, departments, and party organizations at all levels, as well as Communist Party members to uphold the principle that "the entire party membership is subordinate to the party Central Committee," and display party spirit to ensure the implementation of the regulations of the party Central Committee and the State Council. Party and government organs, enterprises, and establishments as well as party member-cadres who brazenly violate the regulations of the party Central Committee and the State Council are punishable by party and government discipline depending on the seriousness of their offenses.

Those who violate criminal cases should be brought to justice. Disciplinary action will be taken against those who continue to ignore orders and prohibitions by the party and the government. On top of that, the leadership of the local authorities, departments, and units concerned should also be held accountable. Party organizations at all levels and all Communist Party members should keep the overall situation in mind, wholeheartedly serve the people, strictly act according to the party's principles and policies, and resolutely stop the activities that benefit small communities at the expense of the state.



The document also noted that if the localities and departments, for the time being, do not have specific guidelines for handling the new problems, they should promptly ask for instructions from their higher organs. We cannot afford to act on our own accord, and rely on our own judgment when it comes to handling issues vital to the overall interest.

PROBLEMS IN STREAMLINING GOVERNMENT ORGANS EYED

HK010401 Beijing CHINA DAILY in English 1 Mar 85 p 4

["It Seems to Me" column by Zhang Xiaobei: "Giant Horses Pulling Small Carts"]

[Text] Streamlining government organs at all levels, which is essential for ensuring the success of our economic reforms, is linked to the process of encouraging the "old guard" to retire, and promoting educated, competent and dependable younger people to fill the vacant offices.

But institutional reforms are still far from sufficient for the urgency of our socialist modernization programme. I am not alone in thinking this: The above is a quotation from a speech made by a leading official of the Organization Department of the party's Central Committee in an interview with reporters from XINHUA and PEOPLE'S DAILY two weeks ago.

According to him, since 1982, 900,000 elderly cadres have stepped aside in favour of 80,000 younger cadres who have been promoted to the leadership at county level and above. This certainly shows that institutional reform has made great progress. But on looking more carefully at the facts, it is clear that there is still "much work to be done."

PEOPLE'S DAILY reports that a prefecture in a southern province originally administered nine counties and one district. After institutional reforms, the area under its jurisdiction was cut to five counties. But contrary to expectations, the prefecture's bureaus and cadres did not decrease in number, but actually rose from 79 to 113, and 227 to 292 respectively.

A city in the northeast abolished or amalgamated some government bureaus to meet the streamlining requirements. But at the same time, additional committees and departments were set up. According to last year's statistics, there were 117 of these new committees and departments in the city, plus more than 120 "temporary" offices. These examples are typical and show the gravity of the problem.

Despite the party committee's great efforts to cut down on unnecessary government bureaus and personnel, some local governments have pleaded "special circumstances" and have failed to carry out the policy. They formulated "tuzhengce" (local policies) to justify actual growth in government, and a few even ordered lower level governments to do the same.

A subdistrict office in Shanghai's Zhabei District has only 36 staff on its payroll. But in order to be consistent with its superiors, the office has to set up 26 committees and departments. When there is a shortfall of cadres, the office has to call in people temporarily from enterprises under its management. In addition, establishing "companies" and "centres" is in vogue these days. Many of these are just government bureaus under new names.

Ordinary people call this "a giant horse pulling a small cart," because of these committees and departments do not have sufficient work. Their duties often consist of holding meetings to hand over documents or writing annual reports, jobs that any literate person could do.



Many people ask why, if local governments know that overstaffing only reduces efficiency, do they continue to do it? The answer to this question lies in the feudal idea that officials should be promoted according to seniority and that they should have lifelong tenure. Under the influence of these ideas, there has been some resistance to the party's policy of replacing old, incompetent or poorly educated cadres with new blood, and some people have even refused to resign their posts.

In order to placate cadres thus demoted or forced to retire, many unnecessary committees and departments have been set up to give them official titles. This kind of compromise has been criticised as "creating temples to accommodate gods."

Minister of Labour and Personnel Zhao Shouyi also condemned this practice in an interview with the Shanghai-based WORLD ECONOMIC HERALD, saying that the overstaffing of government organs placed great obstacles in the path of the economic reforms.

The solution to this problem is to continue the personnel reforms, and as Minister Zhao suggested, to enact a law restricting the size of government bodies.

All cadres should be ready to work at whatever task they are given, and incompetent or unqualified cadres must accept demotion.

The speech made by the leading official of the Organization Department of the party's Central Committee is of great significance. It signals even greater efforts to improve our leadership before the convocation of the party's National Congress later this year. And I believe, when the "old guard" steps aside willingly, the remaining problems of the institutional reforms can be speedily solved.

#### GU MU DISCUSSES DEVELOPING SHENZHEN ECONOMIC ZONE

OW281039 Beijing XINHUA Domestic Service in Chinese 1714 GMT 27 Feb 85

[By reported He Yunhua]

[Text] Shenzhen, 27 Feb (XINHUA) -- Gu Mu, member of the Secretariat of the CPC Central Committee and state councillor of the State Council, said at a forum held in Shenzhen: Great efforts should be made to build Shenzhen Special Economic Zone into a comprehensive economic zone facing the outside world with special emphasis on industrial development.

Gu Mu said: Great achievements have been made in building Shenzhen, Zhuhai, and Shantou Special Economic Zones. Within a short period of a few years, Shenzhen has been built from a backward and desolate small town into a modern new city of a relatively large scale. The great speed in building the city has won extensive praise at home and abroad. The various central departments should continue to give support to Shenzhen special zone.

Gu Mu pointed out: The achievements made in Shenzhen special zone in the past few years were primarily due to the power of the party's policy of opening to the outside world; this was the major premise. The whole country's support to Shenzhen was also very important; Shenzhen could not have made these achievements without such backing. Another important factor was that the cadres and masses working in Shenzhen carried forward the pioneering spirit of hard struggle and gained time by working at great speed. We should have great respect for them.

Gu Mu said: We have achieved initial experience in building and carrying out reform in Shenzhen special zone. The cadres in Shenzhen special zone must not be self-satisfied because of their achievements; they should maintain a sober mind amid all the praise. They should see that there are still some problems; they should be modest in listening to different opinions and correct evil winds and unhealthy tendencies. Leading cadres should be courageous in carrying out criticism and self-criticism so as to constantly improve themselves.

Talking on future tasks, Gu Mu said: In further developing Shenzhen, we will meet with greater difficulties. We must conscientiously solve a number of key policy problems. We must carry out our work in a positive and proper manner and strengthen our administration in order to promote and protect the policy of opening to the outside world.

Gu Mu pointed out: Shenzhen special zone not only faces fierce competition in foreign markets but must also compete with the 14 coastal cities and 3 delta areas which are now open to the outside world. In order to succeed in competition, it is necessary to give full play to Shenzhen's advantages and continue to maintain great speed in development. Therefore, we must raise our entire work to a new high level. Shenzhen's economic structure should be changed from a domestic one to an international one with exports and the earning of foreign exchange as its main goal.

The forum was presided over by Gu Mu, and was held from 24 to 26 February. A number of important policies and measures for further developing Shenzhen special zone in the future were discussed at the meeting.

#### HONGQI URGES CONTROLLING CONSUMPTION FUNDS

HK281422 Beijing HONGQI in Chinese No 4, 16 Feb 85 p 2

[Commentary: "Pay Attention to Controlling the Irrational Growth of Consumption Funds"]

[Text] To consolidate and carry forward the excellent situation, carry out the economic reform smoothly, and achieve the aim of fighting the first battle with victory assured, we must get rid of interference. One of the most prominent problems confronting us calls for controlling the irrational growth of consumption funds.

People are now worrying about rising prices. But they have paid inadequate attention or have even been totally indifferent to the phenomenon of the likely uncontrollable growth of consumption funds arising from the practice of freely raising wages and randomly handing out bonuses and allowances. In fact, the two are interrelated. Commodity prices are ultimately determined by the amount of work involved in commodities, or by value. The amount of money in circulation also has a direct impact on prices. If the money in circulation also has a direct impact on prices. If the money supply exceeds the required amount, commodity prices will go up. To prevent big fluctuations, in prices, we must control the distribution of money. Controlling the irrational growth of individual consumption funds is a very important aspect in the effort to control the distribution of money.

Loss of control over consumption funds will lead to a most fundamental imbalance in the national economy. A proper balance must be maintained between accumulation and consumption and between social consumption and individual consumption. The growth of individual consumption funds must be kept within rational limits. That is to say that we must base the growth of individual consumption on the development of production and improvement in economic returns.

Concretely speaking, the rate of growth of individual consumption should be lower than that of the growth of production and labor productivity. Given newly-increased national income, we must guarantee a given accumulation. Of the increased enterprise income, the state must have access to a bigger share in order to ensure a still greater increase in the state's financial income. Meanwhile, the growth of the amount of money received by workers as income cannot surpass that of the production of social consumer goods.

Some enterprises and units have erroneously thought that reform is meant to let worker individuals have more money. Some units showing no increase in production and no improvement in economic returns or even losses have freely raised wages and randomly handed out bonuses and allowances (including cash and things), doing so in various forms. That kind of individual income is realized by various improper means, such as boosting production costs, subtly raising prices, appropriating production funds, withholding tasks and profits that would otherwise be handed over, and even using various excuses to draw on funds meant for replenishing stocks, and so forth.

These practices have appeared amid a very favorable situation. But they are worth noting. If not quickly checked, they will cause the loss of control over consumption funds, an imbalance between accumulation and consumption and between purchasing power and market supplies and imbalances in financial budgets, credit funds, and material goods, and lead to big fluctuations in commodity prices, adversely affecting the masses' life and disrupting economic life. This will inevitably call for a further adjustment, delaying the process of reform.

In reform, we must look far ahead and combine the enlivening of the economy with attention to proper macroeconomic management and control. We must keep a cool head amid victory and be good at preventing problems likely to crop up. The wage system must be reformed. The pricing system must also be reformed. But this must not be done so as to cause the loss of control over prices, credit funds, and consumption funds.

In carrying out a reform program, we must consider whether it is acceptable to society. The idea guiding reform must be right and proper. We cannot want to get rich immediately at the very mention of reform or get rich by relying on increasing commodity prices.

To really get rich, we must act according to policy. We must strictly control and practice taking advantage of the current opportunity of reform to raise prices. We must also control individual consumption funds and collective purchasing power. The growth of consumption funds must stimulate the growth of production. Only in this way can we help maintain the steady and harmonious development of the national economy and provide a favorable environment for the steady progress of the reform.

As far as the situation as a whole is concerned, our country is still not rich. The state is financially pinched and has inadequate construction funds. For this very reason, the "decision" has reaffirmed the guideline of fighting amid hardships, building up the country industriously and thriftily, and getting everything done through thrift and hard work, while providing new explanations in light of new conditions. In no way can we forget this fine work style which was forged in history and has been proved by practice to still be effective!



OFFSHORE OIL PROSPECTS TERMED 'ENCOURAGING'

HK010455 Beijing ZHONGGUO XINWEN SHE in Chinese 0855 GMT 26 Feb 85

[Roundup by reporter Li Jian: "China Makes Breakthroughs in Offshore Oil Prospecting -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 26 Feb (ZHONGGUO XINWEN SHE) -- China's large-scale offshore oil prospecting has yielded encouraging results. New oil fields and reserves have been successively discovered. This is a good start in China's exploitation of offshore oil resources.

So far, within the 18 contracted zones delimited by the first round of tenders invited by China, seismic test lines with a total length of 108,000 km have been completed and about 300 reservoir structures, of which two-thirds are promising ones, have been discovered. Of the 70 exploratory wells drilled, at least half have yielded oil and many are high-yield oil wells or high-yield natural gas wells. In 5 years, two oil fields and one natural gas field have been located. The success rate of locating oil is the highest in the world.

At the end of last month, the ACT Task Group of Italy and the United States announced that the Huizhou 33 -- 1 -- 1 well, which was drilled in the zone nearest to Hong Kong, yielded a daily oil output of more than 400 cubic meters. It is very likely that the zone could be one rich in oil to the east of the Zhujiang estuary. Before that, the Enping 18 -- 1 -- 1 well and the Wenchang 19 -- 1 -- 1 well, which were drilled in the contracted zone in the basin at the Zhujiang estuary, also yielded oil. Subsequently, the Esso Group of the United States also drilled a high-yield well, namely the Wenchang 19 -- 1 -- 2 well, with a daily crude output of more than 400 tons. The experts involved are of the opinion that this is a major breakthrough in locating oil in the basin at the Zhujiang estuary. The zone is surrounded by promising reservoir structures. The results yielded by the prospecting tell us that there are rich oil and natural gas reserves in the basin at the Zhujiang estuary.

In reservoir structure Ya 1 -- 3 -- 1 in the Yingge Sea basin in the South China Sea, ARCO Petroleum Inc. of the United States has drilled two high-yield natural gas wells with a daily output of 1.2 million and 1.8 million cubic meters. The two sides involved in the joint undertaking are enthusiastically negotiating on the exploitation of the natural gas found in the cooperative zone. In reservoir structure Ledong 30 -- 1, natural gas was found in the course of the drilling. Oil was found in another reservoir structure also in the course of drilling. The zone could be an extensive oil-bearing area. This area is promising for oil prospecting.

When the second round of tenders for offshore oil prospecting were invited, 40 companies from more than a dozen countries and regions showed their interest in the tenders for prospecting for oil in an area in the eastern Yingge Sea and 27 companies from 9 countries asked to be sold the information about the area in eastern Yingge Sea.

Before the first round of tenders has invited, nine wells were drilled in the Yellow Sea. However, neither oil nor gas was found. Last year, the BP Oil Exploitation Company of Britain drilled a well in reservoir structure Changzhou 6 -- 1 -- 1 in a contracted zone and found oil. That shows that the continental shelf in the Yellow Sea has rich oil reserves and can produce oil.

With the development of prospecting in the Sino-Japanese cooperative zone in Bohai, the Japanese have been constantly modifying their prospecting strategies. Now, they concentrate their major efforts on more detailed prospecting in a corner with an area of about 600 to 700 square kilometers in the cooperative zone, which has a total area of 15,500 square kilometers.



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The recently drilled Bozhong 28 -- 1 -- 7 well yields more than 300 cubic meters of crude oil and about 60,000 cubic meters of natural gas each day. It has added to the oil reserves and size of the oil-bearing strata of the reservoir structure. A thick layer of oil was found encapsulated in a reservoir structure in the course of wildcatting in Bozhong Zone 34. The zone is now being vigorously explored.

It is reported that a well drilled by China geologists in Liaodong Bay is a high-yield well which yields more than 200 cubic meters of oil and more than 500,000 cubic meters of natural gas each day. They have created a new situation in prospecting for oil in Liaodong Bay.

#### SUPREME COURT CHIEF ADDRESSES JUDGES CONFERENCE

LD281633 Beijing XINHUA in English 1147 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- A national conference called by the Supreme People's Court to reward the country's best and hardest-working judges opened here today. The four-day conference will commend 351 judicial officials -- most of them judges -- from all over the country.

Meanwhile, bad judges should beware. At the opening ceremony today, Supreme Court President Zheng Tianxiang warned that any corrupt judges or anyone who tried to bend the law for their own [words indistinct] severely punished. Judges must be upright, impartial and incorruptible, he told the conference, the first of its kind ever held.

The president stressed that all state organs, the Armed Forces, all political parties and public organizations and all enterprises and undertakings must abide by the Constitution and the law.

All acts in violation of the Constitution and the law must be investigated. No organization or individual must be allowed the privilege of being above them.

Judges must be upright and enforce the law strictly, the president said. It was the judges' sacred duty to uphold the interests of [words indistinct] and the people and never stoop to any contravention. Zheng added that in a bid to improve the judiciary, more law schools, full time and part time, would be set up and all judicial workers would be able to attend to improve their legal proficiency.

The participants, who will receive [words indistinct] at the end of the conference, have been recommended by people's courts all over the country on the basis of their hard work and fair and accurate judgements. About 150,000 people work in the judiciary.

#### FEDERATION TO AWARD LABOR MEDALS FOR EXCELLENCE

OW280931 Beijing XINHUA in English 0819 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- The All-China Trade Union Federation will award its first annual labor medals and citations to mark the May 1 International Labor Day. The awards, to be named the "May 1 Labor Medal" and the "May 1 Labor Citation", will be conferred on individuals and collectives making outstanding contributions to the country's modernization drive and economic reforms. They are aimed at encouraging further efforts toward economic reform and technological progress, the federation said. Awards may be announced at any time for especially meritorious accomplishments, an official added.

MILITARY MUSEUM READJUSTS HISTORICAL DISPLAY

OW280823 Beijing Domestic Service in Mandarin 2230 GMT 26 Feb 85

[Text] According to a JIEFANGJUN BAO report, in accordance with the opinions of the leading comrades of the CPC Central Committee and the Central Military Commission, the military museum is making two major readjustments in the display of historical materials. The first major readjustment of the military museum is that it will display historical materials on wars and weapons from ancient to modern China. The second major readjustment is that the "Hall of the War of Resistance Against Japan" at the military museum will display the historical materials of the war of resistance against Japan waged comprehensively by the whole nation, including the frontal battles waged mainly by the Kuomintang-led troops and the anti-Japanese struggle of the people in the enemy-occupied area.

So far, the military museum has already drafted a plan to readjust the display and solicited suggestions from 162 experts and scholars from 18 Army and civilian units, as well as from such former Kuomintang generals as Huang Mei, Zheng Dongguo, and Hou Jingru. The readjusted "Hall of the War of Resistance Against Japan" will be opened to the public during the period marking the 40th anniversary of victory over Japan.

COLUMN DISCUSSES CPC-KMT COOPERATION DURING WAR

HK281045 Beijing RENMIN RIBAO in Chinese 18 Feb 85 p 5

["Academic Trends" column by Wei Lingyan: "Brief Introduction to the National Symposium on Anti-Japanese Base Areas"]

[Text] The CPC Central Committee Party History Research Center, the National Society for the Study of CPC History, and the Society for Study of the New 4th Army and Central China Anti-Japanese War Bases jointly held an academic symposium on anti-Japanese base areas in Zhenjiang, Jiangsu Province, 13-18 November 1984. The main tasks of this meeting were to exchange and discuss the research achievements with regard to the matter of the anti-Japanese bases and to make preparations for the 1985 academic symposium commemorating the 40th anniversary of the victory in the anti-Japanese war.

At the meeting, people discussed the historical significance of China's anti-Japanese war. They agreed that the anti-Japanese war was the first national liberation war that the Chinese people had won during their 100-year struggle against aggression and for national liberation, and was also the first completely successful national liberation war in the modern history of the anti-aggression and liberation struggles waged by oppressed nations throughout the world.

During the anti-Japanese war, the people's revolutionary forces under the leadership of the CPC grew to an unprecedented degree, and the CPC also established and developed a correct theory to guide the revolution on the basis of summing up its experience in the first three stages of the revolution. This created suitable conditions for the victory of the liberation war in the whole country.

As for the historical position of the CPC and the KMT and their mutual relations, people attending the symposium held that the anti-Japanese war was carried out on the basis of the second round of CPC-KMT cooperation, which took the form of cooperation outside the parties. Both parties maintained their respective control over their own armies and political power organizations. At the same time, the consulted with each other on all matters concerning the anti-Japanese war and joined hands in the war against the Japanese aggressors.

In the process of cooperating with the KMT in the anti-Japanese struggle, the CPC stood for the line of relying on the people to carry out an overall anti-Japanese struggle and opposed the KMT's passive line of merely relying on its army while discouraging the mobilization of the people to resist the Japanese aggressors. Throughout the anti-Japanese war, the two parties did not cease their contention for the leadership over the war.

The CPC consistently stood for waging a staunch struggle against the Japanese aggressors. The anti-Japanese war was launched precisely under the political leadership of the CPC and was promoted by the CPC's organizational work. The KMT headed by Chiang Kai-shek was forced to take part in the anti-Japanese war by the then domestic and international situations, but its position was wavering. The fact that the KMT headed by Chiang Kai-shek was forced to cooperate with the CPC in the anti-Japanese war showed that the big bourgeoisie could only follow the proletariat in China's politics. The historical process of the preparation and beginning of the anti-Japanese war and the facts in the initial stage of the war showed that the CPC indeed exercised political leadership in the anti-Japanese war and that there would not have been a second round of CPC-KMT cooperation and an overall anti-Japanese war in the whole country without the political leadership of the CPC. This point was also proven by the historical facts in the later stages of the anti-Japanese war after 1939 and the maintenance of the anti-Japanese united front to the final victory of the anti-Japanese war.

People at the symposium also studied the relationships between the Soviet Union, the United States, and China during the anti-Japanese war. They held that the role of the Soviet Union in China's anti-Japanese war can be divided into two parts: On the one hand, the Soviet Union mainly played a positive role through its assistance to China's anti-Japanese war; on the other hand, it played a negative role. Wang Ming's rightist opportunist mistakes were inseparable from the erroneous instructions and support given by the Communist International and Stalin. In addition, the Soviet Union sent its troops to northeast China and annihilated Japan's Kanto Army Corps. This played a decisive role in forcing the Japanese militarists to surrender, and represented an important part of the Soviet assistance to China's anti-Japanese war. However, the entry of the Soviet Union into the war against Japan carried political conditions that were detrimental to China's sovereignty.

From the beginning of the anti-Japanese war in China to the outbreak of the Pacific war, U.S. interests in China were threatened by Japan's attempt to turn China into its exclusive colony, so the United States gave China a certain degree of support and assistance in its war against Japan, but the U.S. assistance was far less than the Soviet assistance. Moreover, the United States adopted an appeasement policy toward Japan, delivered large quantities of military supplies to the Japanese aggressors, and tried to hatch a plot of creating a "Far East Munich" in China. All this harmed China's struggle against the Japanese aggression.

After the outbreak of the Soviet-German war in June 1941, and especially after the outbreak of the Pacific war in December 1941, the United States became an ally of China in the fight against Japan, and took the place of the Soviet Union as China's main supporter in the war against Japan. However, all U.S. assistance was given to the KMT government, which pursued the policy of passively resisting Japan and actively attacking the communists, so the U.S. "assistance to China" only helped the KMT, headed by Chiang Kai-shek, pursue its policy of national betrayal, autocracy, and civil war. Furthermore, the United States was involved in the KMT's anti-communist and anti-people activities, and its "assistance to China" was intended to "invade China" and to turn China into its colony or dependency. Therefore, after Japan's surrender, U.S. imperialism took the place of Japanese militarism as the main obstacle to China's independence and liberation. Chiang Kai-shek took the place of Wang Ching-wei as an archenemy of the Chinese revolution.



14 OPEN CITIES POST INDUSTRIAL OUTPUT GAINS

HK010407 Beijing CHINA DAILY in English 1 Mar 85 p 2

[Text] The 14 coastal Chinese cities granted "special economic zone" status have been reaping significant benefits as pioneers in the country's trade overtures to the outside world. Last year, total industrial production in the 14 cities topped 157 billion yuan, an 11.5 percent increase over the previous year, according to the State Statistics Bureau.

The biggest increase in industrial growth was registered in Ningpo, Fuzhou and Wenzhou, each averaging a 27 percent increase in 1984.

The statistics point to rapid progress as overseas investment and advanced technology pour into the cities. Production value last year in the 14 cities collectively equalled the total value of the preceding five years.

The advantages of world trade have been pervasive; large state-run industries have not monopolized the benefits of overseas technology. Imported help has trickled down to small collectives and rural factories, the bureau said. For example, Guangzhou neighborhood factories, usually small in size, imported 16,000 pieces of equipment in 1984 to modernize out-of-date facilities. For example, Guangzhou neighbourhood factories, usually small in size, imported 16,000 pieces of equipment in 1984 to modernize out-of-date facilities. Technology borrowed from abroad has hastened economic development and also improved the quality of products turned out in the 14 cities.

In Dalian alone, more than 330 products have won awards from the state for their quality. The city ranked first in that respect among all China's municipalities.

Products manufactured in the zones have proven highly competitive on the world market. Using overseas technology, Dalian shipyard built a 27,000-ton bulk freighter and an off-shore oil drilling platform and sold both overseas. Products which have attained "quality" status now account for 20 percent of the city's total industrial production.

New leaps in technology have also greatly improved the living standards of residents in the 14 cities. Greater quantities of popular consumer goods, such as television sets, radio-cassette recorders and cameras, have hit the market. Supplies of industrial materials, including seamless steel tubes and soda ash, are also more prevalent. The advanced technology has saved materials and energy, reducing costs while improving production efficiency.

In addition to Fuzhou, Wenzhou, Ningpo, Dalian and Guangzhou, the remaining 9 special economic zone cities are: Qinghuangdao, Tianjin, Yantai, Qingdao, Lianyungang, Nantong, Shanghai, Zhanjiang and Beihai.

COMMENTATOR ANALYZES PROBLEMS OF AFFORESTATION

OW281105 Beijing XINHUA Domestic Service in Chinese 1250 GMT 27 Feb 85

[XINHUA commentator's article: "After Barren Hills Are Distributed Among Peasant Households, It Is Necessary First To Pay Equal Attention to Unified Management and Divided Responsibility and Second To Make Immediate Profits Available Pending Long-Term Gains"]

[Text] Beijing, 27 Feb (XINHUA) -- The generous distribution of barren hills among peasant households as areas for their own use or under their responsibility on a contract basis is a major policy aimed at accelerating the afforestation of barren hills and at changing their appearance.



The implementation of this policy has greatly aroused the peasants' enthusiasm, and in many places peasants are seen "cherishing and managing the hills and becoming prosperous by working on hills."

However, some noteworthy problems have emerged. First, cadres in some places assume that after the barren hills have been distributed among peasants, there is nothing more to worry about; therefore, when some households encounter practical problems or difficulties, they are helpless. Second, some places limit the opening up of barren hills to tree planting or afforestation only, paying attention to the progress of afforestation and ignoring economic results. The attention to the masses' immediate interests is insufficient. This all means that the characteristics of barren-hill development are neglected and that the law of nature, the economic law, and the masses' wishes are violated.

Afforestation is characterized by a long growth period and slow economic results. Because of its pioneering nature, afforestation on barren hills needs a tremendous investment of funds and labor. Peasants are very practical about economic gains. Without visible and tangible economic results, their enthusiasm for opening up barren hills for afforestation will not last. At the same time, without the necessary support and effective service from the state and collectives, individuals will have enormous difficulties in opening up barren hills. Therefore, good work must be done in the following aspects: First, it is necessary to pay equal attention to unified management and divided responsibility in order to perfect the system of contract responsibility; and second it is necessary to make immediate profits available to peasants while they are waiting for long-term results so that a good "start" will be effected by combining short- and long-term results.

How can equal attention be paid to unified management and divided responsibility in view of the characteristics of barren-hill development? At the household-level operation, the policy should be even more relaxed and the contract period extended. In this connection, the party Central Committee and the State Council have had a long series of policy rulings, such as that contract rights can be inherited and transferred and extending the contract period to over 50 years. Only in this way can peasants be encouraged to go all out and boldly invest funds and labor in barren hills without worry.

At the level of the collective's unified management, it is necessary to strengthen leadership, unify planning, render good services, provide necessary materials and funds, and create good conditions for contract households in all aspects. In particular, bigger projects that benefit all households, such as roads, water conservancy projects, and other basic facilities, should be undertaken primarily by collectives.

At present, there are two contract methods which are comparatively more effective: 1) under the unified planning and leadership of townships or administrative villages, barren hills and slopes are contracted to individuals for management; and 2) under the unified planning and leadership of state farms, barren hills and slopes within state farms are contracted to state farm workers or put under joint operation by state farm workers and the farms. Under both types of contracts, the contract peasants or workers are given a certain amount of remuneration by the collectives or state farms. In this way, the contract peasants and workers have their immediate interests taken care of and can be sure of their long-term interests. So, good results can be achieved more easily.

In opening up barren hills, we have to stress both ecological and economic results. Without economic results, there can be no vitality. Therefore, at various levels, we have to make immediate gains available in order to reap long-term interests, diversify the plantation to achieve comprehensive development, and create more ways for getting both immediate and long-term gains to become rich in order to realize the objective of hill afforestation and prosperity.

In afforestation, we should plant different forest trees according to local conditions. Especially in the next few years we should plant more fast-growing, fine-quality timber and fast-growing economic forests that are low in cost and give quick returns in order to establish a rational forest structure. At the same time, we should broaden our vision and not limit the scope of barren-hill development to afforestation and tree planting only. At the same time, we should plant grass, flowers, and medicinal herbs and develop animal husbandry and raising household animals. In some places, grass can be planted first because it grows fast and because grass seed can be sold in the same year it is planted, thus providing economic results in the same year. In other places, the opening up of barren hills and the development of industries and sideline occupations can be undertaken concurrently. It is feasible to develop industries and sideline occupations to help afforestation.

The area of barren hills, slopes, and beaches in our country is vast, accounting for about 1/4 of our total territory. In greening our motherland, barren hills are a difficult yet central spot. We must work hard to keep pushing forward the great undertaking of opening up and making barren hills green.

#### STATE COUNCIL ALLOCATES VEHICLES TO FARMERS

HK280451 Beijing CHINA DAILY in English 28 Feb 85 p 1

[By staff reporter]

[Text] The State Council has decided to allocate 75,500 motor vehicles to farmers this year to further improve transport in the countryside. Of these, 70 per cent will be sold to rural transport co-operatives and the rest to individuals or groups of specialized farming households.

The cars and trucks -- about one-fifth of the total produced in China last year -- will be delivered by year-end, according to a report submitted to the State Council by the China Rural Development and Research Centre and six other central departments. The State Council has approved the report and urged governments at all levels to carry out the sale of these vehicles and distribute them across the country.

The new move is aimed to prevent people from making huge profits through illegal sales of motor vehicles, an unhealthy practice that has blossomed in the past two years, the report says. The report says that previously, most of the motor vehicles in the rural areas were sold to individuals. In the process, speculation and other illegitimate deals were rampant, seriously damaging the interest of both state and buyers.

The report suggests that the State Council set up a national group formed by state ministries, companies and the Agricultural Bank to draw up distribution plans and supervise the sales and distribution of the new vehicles.

To guarantee reasonable prices the report urges state and local governments to make sure that 70 per cent of the vehicles are purchased by rural co-operative transport enterprises and the rest bought by individual farmers. Using such simple conveyances as tractors, boats, hand-carts and draught animals, rural transport co-operatives and individuals have formed a major transport force in the countryside, handling about 600 million tons of goods a year, more than 50 per cent of the amount moved in the rural areas. With the new vehicles readily available, farm products can be sent to urban areas instead of being stored and profits can be used to buy industrial products.

Local governments could also establish temporary vehicle distribution groups to closely link the sellers with buyers of the vehicles, leaving no room for any speculation, the report says. Meanwhile, the report stresses the local transport co-operatives should allow farmers to enter and withdraw at will.

Except for taxes and other money due to the state, profits of the enterprises should be fairly distributed among their employees. Farmers who wish to leave the enterprises should be allowed to withdraw their capital, the report says. However, the fixed fund of the enterprises should not be taken away by anybody and the distribution of profits should follow the principle of "to each according to his work," the report says.

The growth of collective and private road transport companies has put great pressure on the motor vehicle market. China built 340,000 motor vehicles in 1984, a 27 per cent increase over the year before. Production is expected to rise again this year to meet the urgent demand.

#### BUREAU TO RECALL 65,000 OUTDATED MOTOR VEHICLES

OW281447 Beijing XINHUA in English 1431 GMT 28 Feb 85

[Text] Beijing, February 28 (XINHUA) -- China will recall 65,000 out-dated motor vehicles with high oil consumption this year, according to the State Bureau of Materials and Equipment here today. A bureau spokesman said, "we must phase out more old motor vehicles despite shortages in the domestic market in order to save energy and raise fuel efficiency."

In the past three years, China has already scrapped 145,000 motor vehicles. The Chinese Government plans to have pulled off the roads 500,000 in the 10 years from 1982 to 1991. The vehicles were mainly imported from East and West European countries in the 1950's and 1960's, while some were manufactured in China. The spokesman said most of them have run for more than 20 years, covering about 500,000 km, on average.

The total number of motor vehicles in China is now 2.8 million, and they consume more than 10 million tons of petrol each year, or 90 percent of the country's total consumption. At the same time, automobile manufacturers are renovating motor vehicles now running on the roads by replacing cylinder covers, cam shafts, carburetors and other parts. About 180,000 will be updated this year.

China has renovated 700,000 motor vehicles in the past few years, and is expected to accomplish a renovation program of 880,000 by the end of this year.

#### LIANGYUNGANG PORT ASSISTS DEVELOPING AREAS

OW010742 Beijing XINHUA in English 0708 GMT 1 Mar 85

[Text] Nanjing, March 1 (XINHUA) -- Nine provinces and regions in central and northwest China now depend on Lianyungang Port, Jiangsu Province, as one of the important links in their economic development, officials said here today. Lianyungang is one of the 14 coastal cities opened last year to overseas trade and investment. The port, at the end of a major east-west railway line, signed 500 deals last year involving co-operative development with seven inland provinces and two autonomous regions. Thirty-seven schemes are already under way.



Lianyungang handles most of these provinces' imports and exports, and can supply them with economic and technical information. They, in turn, have the raw materials and production facilities. So far, 15 joint companies linking the port with its hinterland have been set up in the city.

The Yilian wool textile company, operated jointly by wool producers in Ili city, Xinjiang Uygur Autonomous Region, and Lianyungang, can produce two million meters of woollen fabrics a year. The company has helped Ili to undertake worsted spinning with imported facilities, and it exports the products. Local authorities have helped some provinces to establish representative offices in Lianyungang.

The city has also designated an area of 4.5 square kilometers as an internal development zone, where other provinces and regions can set up pilot projects with imported technologies. If successful, the new technologies can be transferred inland.

#### HONGQI HOLDS FORUM ON LITERATURE, ART CRITICISM

HK280917 Beijing HONGQI in Chinese No 4, 16 Feb 85 p 37

[Report by Fu Jian: "HONGQI-Sponsored Forum on Literature and Art Criticism"]

[Text] On 1 February, the Editorial Department of this magazine invited some comrades in literature and art circles to attend a forum to discuss how to properly handle the special column of "Comments on Selected New Works of Literature and Art" to be started by HONGQI and how to properly handle the matter of literature and art criticism.

Editor-in-chief Comrade Xiong Fu presided over this meeting. He said that the inauguration of the special column of "Comments on Selected New Works of Literature and Art" is aimed at assessing and recommending those new works of literature and art that are healthy in ideological content, relatively good in artistic form, reflect contemporary life and are full of educational meaning and worth being recommended. This to strengthen education for cadres through the criticism of literature and art works.

Those comrades present at the forum voiced unanimous support for the special column "Comments on Selected Works" to be started by HONGQI. It was held that the inauguration of this "special column" meets the needs of the new situation of literature and art reform and will play a stimulatory role in literature and art circles.

The comrades present many good suggestions about the proper handling of the "special column" and expressed the hope that the "special column" would become a window on literature and art circles, giving a glimpse of new and important literature and art trends. The "special column" does not just recommend a given work. Instead, it undertakes a kind of promotion by recommending it.

The comrades attending the forum held that it is highly necessary to further improve literature and art criticism. Literature and art criticism should take the form of free, equal, and comradely discussions. We must be unique in creation. In making comments, we must also have our own views. Regarding differing views, we must gradually arrive at a consensus through discussion.

At the forum, some comrades said that at present some articles related to literature and art criticism follow relatively hackneyed and relatively simple patterns. There must be varied patterns for literature and art criticism.



They can take the form of theoretical analyses and also expressions of random feelings, discussions through correspondence, and so forth. Literature and art criticisms must be of a given stamp and elegant in style. In handling relevant articles, the Editorial Department cannot follow fixed patterns in regard to style or the use of words and must respect the style of a given individual.

HONGQI ON 'RULES OF DECENCY IN LITERARY WARFARE'

HK280737 Beijing HONGQI in Chinese No 4, 16 Feb 85 pp 15-16

[Article by Shao Yanxiang: "Thinking of the 'Rule of Verbal Battles'"]

[Text] Precisely 100 years ago, that means in 1885, in his preface to the second edition of "Anti-Duhring," Engels said that since the University of Berlin had deprived Duhring of his freedom to teach, he "must observe the rules of decency in literary warfare all the more strictly."

In his "Anti-Duhring," Engels mercilessly refuted Duhring's "systems" in philosophy, political economy, and socialism, which, according to the latter, contained the ultimate absolute truth, thus displaying an uncompromising and principled Marxist spirit. Engels "knew Duhring thoroughly" and he had "thoroughly exposed" Duhring's distortion of science and his political opportunism. However, he did not think that Duhring should be relieved of his teaching post. Still less did he take pleasure in Duhring's misfortune or kick him when he was down. Rather, he criticized the University of Berlin for the "injustice it has done" to Duhring, his adversary.

Engels could display such tolerance and broad-mindedness precisely because he profoundly believed that truth was on his side. Thus, he did not find it necessary to resort to means other than his own words in literary warfare. A true soccer player kicks the ball, not the people.

However, unlike Engels, Duhring, the "new convert," did not "observe the rules of decency in literary warfare." What he had done had in fact gone beyond the bounds of "literary warfare." "Herr Duhring and his little sect were using all the arts of advertising and intrigue to force THE VOLKSSTAAT to take a definite stand in relation to the new doctrine which had come forward with such mighty pretensions." For example, when Liebknecht, chief editor of THE VOLKSSTAAT, refused to accept an article written by a man named En Si [1869 2448] to flatter Duhring, they raised objections and organized a series of activities which went beyond the bounds of "literary warfare" in an attempt to seize the leadership of the newspaper of the central organ of the Social-Democratic Party, which was then still in its infancy. Perhaps if Duhring had been born a century later, he would, with pleasure, draw on some Oriental "experience" and, just as Chen Boda marched into RENMIN RIBAO on 1 June 1966, march into THE VOLKSSTAAT and dismiss chief editor Liebknecht!

The University of Berlin had deprived Duhring of the right to teach. This move was not as simple as its appointment of Schwenninger, the "iron and blood chancellor" Bismarck's personal doctor, as a professor. The background was quite complicated and there is no need to comment on it for the time being. Let us imagine: If Duhring had been put in charge of the university, and if Engels had also happened to hold a teaching post in that university, then it would not be very unlikely that the arrogant Duhring would have dismissed Engels and said: "It is not suitable for Engels to teach in the university."

"The duration of a century is as short as that of a dream." Engels' style will forever be with us, but Duhring has perished -- his "system" is now found in the pages of "Anti-Duhring" as a sample of fallacy.

At present, we should adhere to the principle of letting a hundred flowers blossom and a hundred schools of thought contend and study again what Engels said 100 years ago: "Observe the rules of decency in literary warfare." That means that in addition to respecting facts and not distorting the views of our adversaries or stealthily revising our own views when arguing about cultural or academic issues, we should first uphold equality, protect the right to counter-criticize, and not stick political labels on one another when discussing academic issues. "Errors and problems in literary creation can only be resolved through literature and art comment, criticism, discussion, and debate, so long as they do not go against the law. We must ensure that the criticized writers are not discriminated against politically and are not administratively or organizationally punished." In other words, "literary warfare" should involve only pens, not real weapons. This should be the practice in literature and art as well as in the cultural and academic circles.

This understanding of ours today is a result of our return, after we had stuck to a roundabout course for several decades and summarized the experience paid for in blood, to the principles adhered to by Marx and Engels throughout their lives.

In academic and cultural circles, as a result of free criticism, all false things, evil things, and ugly things will be unable to escape people's eyes, and truth becomes clearer through debate. Only by ensuring from all angles that we "observe the rules of decency in literary warfare" can we have the freedom to create and to criticize and really let a hundred flowers blossom and a hundred schools of thought contend. Only by implementing the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" can we help academic and cultural work, truth, and Marxism to develop. Thus, those who believe in truth and have confidence in the vitality of Marxism will subscribe to the slogan that the freedom of creation and criticism should be protected and endorse the principle that "one must observe the rules of decency in literary warfare."

Players in the field are punished for attacking others; similarly, it goes without saying that people involved in a literary war should not attack their adversaries. This will be supported even by children who can barely distinguish what is civilized from what is not. Truth is always simple.

#### MORE HYDROELECTRIC POWER STATIONS BUILT IN 1984

HK280439 Beijing CHINA DAILY in English 28 Feb 85 p 3

[Text] China had built 78,000 small hydroelectric power stations with an installed capacity of 9,000,000 kilowatts by the end of 1984, the Ministry of Water Conservancy and Electric Power announced in Beijing on Monday.

The facilities, each able to generate up to 12,000 kilowatts, produced 21.6 billion kilowatt hours of electricity last year, an increase of 8.41 per cent over 1983. Some 1,421 of the hydropower stations were built last year, boosting the country's generating capacity by 470,000 kilowatts.

JIANGXI CONGRESS STANDING COMMITTEE MEETS

OW281003 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Feb 85

[Text] The 6th Jiangxi Provincial People's Congress Standing Committee opened its 10th meeting at the Jiangxi Guesthouse this morning. Ma Jikong, chairman of the provincial People's Congress Standing Committee, presided over the meeting. Vice Chairmen Wang Zemin, Zhang Yuqing, Xie Xianghuang, and Huang Xiandu attended the meeting.

Included in the agenda of the meeting were: 1) Examining the decision on convening the third session of the Sixth Jiangxi Provincial People's Congress; 2) examining an outline of the work of the Jiangxi Provincial People's Congress Standing Committee for 1985; 3) examining the decision on establishing three procuratorates at centers for reforming criminals or educating offenders through labor; 4) hearing a report by the provincial Education Department on vocational and technical education in Jiangxi and opinions on future work; 5) hearing a report by the provincial Office on Overseas Chinese Affairs on Overseas Chinese affairs work in Jiangxi; and 6) making personnel appointments and dismissals.

In the morning session of the meeting, the members examined the decision on convening the third session of the sixth provincial People's Congress and the outline of the work of the provincial People's Congress Standing Committee for 1985. In the afternoon, Zhang Guozhen, vice chairman of the provincial People's Congress Standing Committee, transmitted the guidelines of the ninth meeting of the Sixth NPC Standing Committee.

Vice Governor Ni Xiance, provincial Higher People's Court President Liu Bin, and provincial People's Procuratorate Chief Procurator Chen Keguang attended the meeting as observers. Attending the meeting as observers were also responsible persons of the people's congress standing committees of the cities directly under the province, liaison offices of the provincial People's Congress Standing Committee in all prefectures, and people's congress standing committees of some counties and districts.

JIANGXI'S ZHAO ZENGYI RECEIVES REFORMER

OW281011 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Feb 85

[Text] Ma (Shengli), director of the Shijiazhuang City paper mill, arrived in Nanchang at noon today. Zhao Zengyi, secretary of the provincial party committee and governor, received him at the (Binjiang) Guesthouse to welcome him for spreading his experience in reform in Jiangxi. Ma (Shengli) has come to Jiangxi at the invitation of the provincial Economic Commission and the provincial Enterprise Management Association to spread his experience in reform. At the meeting with Ma (Shengli), Governor Zhao Zengyi said: Please visit some of our enterprises and give us your advice for improvement, which is more useful than any other kind of support. Please pass on your experience in reform particularly in light of Jiangxi's slow progress in emancipating the mind and developing the economy. During their conversation, Ma (Shangli) briefed Governor Zhao on the work of the Shijiazhuang paper mill in production and in utilizing waste water and pulp. Director Ma said: Since the state has given us the powers, we must give money to the state in return. A state enterprise must produce wealth for the state.



After the meeting, Ma (Shengli) had discussions with directors and managers of some enterprises in Nanchang. He will visit the Jiangxi paper mill tomorrow morning and give a lecture on enterprise reform at the Bayi Auditorium in the afternoon.

#### POLICIES PROMOTE JIANGXI INDUSTRIAL DEVELOPMENT

OW281031 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 26 Feb 85

[Text] Ten provincial units -- namely the Jiangxi Provincial Committee for Administrative Reform, the provincial Planning Commission, the provincial Economic Commission, the provincial Financial Department, the provincial Commercial Department, the provincial Food Bureau, the provincial Commodity Price Bureau, the provincial Agricultural Bank, the provincial Industrial and Commercial Bank, and the provincial Taxation Bureau -- have jointly decided to adopt special policies to support the development of industrial production sponsored by commercial and food departments in the province in the hope that they can serve the four modernizations and the people more successfully with these policies. The decision includes the following points:

1. While preserving its own characteristics, an industrial enterprise run by state-operated commercial units must be managed in the same way as an industrial enterprise.
2. Any enterprise whose value of fixed assets exceeds 3 million yuan, and whose annual profits exceed 300,000 yuan, must be subjected to the 20-stage reform of replacing profit delivery by taxes, like all large and medium-size state-operated enterprises. A small enterprise whose annual profits are less than 300,000 yuan must further relax its policies. All enterprises sponsored by commercial units must change their economic relations with municipal and county commercial and food bureaus as well as their economic relations with the industrial administrative departments and become relatively independent economic entities responsible for their own profits or losses.
3. From 1983 through 1990, preferential treatment will be given to industrial enterprises sponsored by commercial units. Their taxes will be reduced or exempted in accordance with their trades or professions.
4. Enterprises should consult among themselves to set prices of small commodities in three categories. Commodities awarded a gold or silver medal and commodities certified by the province or by a provincial department as commodities of good quality, may be sold at prices 10-15 percent higher than the set prices. Famous traditional foods should be priced according to their quality.
5. Economic commissions at all levels should set up special departments to guide and administer industrial production sponsored by commercial or food departments and not by industrial or communications departments. Commercial and food departments at all levels should set up special departments to administer all types of industrial production by sponsor and strive to achieve a significant development in industrial production by 1990.

#### SHANGHAI MAYOR ADDRESSES NEW HOTEL SOCIETY

OW280947 Shanghai City Service in Mandarin 0100 GMT 28 Feb 85

[Text] The Shanghai Hotel Society was inaugurated on 27 February.



The society is formed by representatives of hotels and guesthouses belonging to the (Jinjiang) jointly operated company, the (Donghu) jointly operated company, the (Huqping) jointly operated company, and the (Xinya) jointly operated company. It is a mass academic society and a consulting agency. The society will organize workers of hotels and guesthouses to make investigations, studies, and surveys, and provide consultancy service to improve management and promote hotel modernization. Mayor Wang Daohan attended and addressed the inauguration.

SERIES ON SHANGHAI INDUSTRY BEGINS PUBLICATION

OW281001 Beijing XINHUA Domestic Service in Chinese 0019 GMT 28 Feb 85

[By reporter Li Zhenghua]

[Text] Shanghai, 28 Feb (XINHUA) -- "An Overview of Industries in the Shanghai Economic Zone," China's first systematic and comprehensive reference series introducing industries in the Shanghai economic zone will start coming off the press in separate volumes this March.

This reference book is jointly compiled by the Shanghai Economics Society and the planning and economic committees of the cities concerned in the economic zone. The first edition will consist of 29 volumes introducing industries in Shanghai, Hangzhou, Jiaxing, Huzhou, Ningbo, Suzhou, Wuxi, Changzhou, and Nantong Cities, as well as in 55 affiliated counties. Each volume will consist of eight major chapters giving a general introduction to industries, trades and professions, and high quality, modern, traditional, and special products. Each volume will also contain a directory of factories and charts of pertinent data. The series will systematically, comprehensively, and historically introduce industrial production and development in the various cities. It will aid the governments at various levels, factories and enterprises, scientific research institutes, and economic research departments in studying strategies and policies, exploring theories, and exchanging information, as well as provide materials for the study of economic rules and regulations and trademarks.

The two volumes on Jiaxing and Shaoxing Prefectures will come off the press soon. The separate volumes on Changzhou, Wuxi, Suzhou, Nantong, Ningbo, Huzhou, Hangzhou, and Shanghai will be compiled and published in the first half of this year. The separate volumes on industrial production in the various cities in Zhejiang, Jiangsu, Anhui, and Jiangxi Provinces are currently being edited and compiled.

GUANGDONG SETS UP PATENT AFFAIRS OFFICE

HK281426 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 28 Feb 85

[Text] The provincial people's government recently approved the establishment of the Guangdong Patent Affairs Office under the provincial Science and Technology Committee. This is one of the measures to further develop patent work and for setting up and putting on a sound basis the patent service organization.

The main tasks' of the Guangdong Patent Affairs Office will be dealing with patent documents, acting as patent agents, developing patented technology, and offering patent information and advice.

HUBEI CITY CPC COMMITTEE CURBS UNHEALTHY TRENDS

HK010437 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 26 Feb 85

[Text] While collectively carrying out comparison and examination in the course of party rectification, in accordance with the spirit of the instructions of the Central Commission for Discipline Inspection, the Wuhan City CPC Committee has decided to regard the curbing of nine kinds of unhealthy trends in the current new situation as the starting point of this party rectification.

The nine kinds of unhealthy trends are:

1. Organs and cadres of the party and the government take advantage of their powers to do business, to run enterprises, to speculate, and to illegally purchase and sell.
2. Policies are violated and commodity prices are indiscriminately raised.
3. Various pretexts are concocted for the indiscriminate issuing of money and goods.
4. Wages are raised at will.
5. Public funds are spent on dinners and gifts and are squandered and wasted.
6. Fraud is practiced, lip service is paid, and formalism is pursued.
7. Lottery tickets are indiscriminately issued and goods are often sold through lucky draws.
8. Irregular promotion of grades and posts is effected.
9. Small-sized newspapers with unhealthy contents are run.

The Wuhan City CPC Committee demanded: Party organizations at all levels must strengthen education in party spirit, party style, and party discipline for all party members, and in particular cadres who are party members must strictly abide by party discipline, and must resist all kinds of unhealthy trends. Leading cadres of a small number of units who do not carry out orders, who do things which are prohibited, and who fail to perform their duties, must be dismissed from their posts. Individual leaders of units who instigate the masses to suspend work and production, to interfere with reform, and to affect the development of production, must be investigated and dealt with in accordance with party discipline and the state law.

TIANJIN MUNICIPAL CPC OUTLINES GOALS FOR 1985

SK260601 Tianjin TIANJIN RIBAO in Chinese 5 Feb 85 pp 1, 3

["Excerpts" of the major points of the work of Tianjin Municipal CPC Committee for 1985 adopted at the Second Plenary Session of the Fourth Tianjin Municipal CPC Committee on 26 January 1985 -- capitalized passages published in boldface]

[Text]

I

In 1984, our municipality achieved significant progress in socialist modernization, and all fronts and all trades and professions scored new achievements. Reform in urban and rural areas proceeded in a down-to-earth manner, and new steps were made in opening to the outside world. The industrial output value reached 25.1 billion yuan, a 9.5-percent over 1983; and the agricultural output value reached 2.6 billion yuan, a 13.9-percent increase over 1983. The revenue quota was overfulfilled, and the 20 major jobs for improving the living standards of urban and rural people, which were decided on early that year, were completed. Remarkable results were achieved in the first-stage party rectification, and party style, social conduct, and public security were further improved. The situation of political stability and unity was continuously consolidated and developed. A profound change was taking shape in the people's social and economic life and mental attitude, the practice of loving life ardently, looking forward to the future, and searching for knowledge became common, and the way of working and living, which reflected the rhythm of modernization characterized by racing against time and stressing efficiency, began to appear. The activities of building civilized neighborhoods, village, and units and building five-good families were carried out extensively, and more and more good people and good deeds radiating with the light of the communist ideas emerged. The grand objective of quadrupling the industrial and agricultural output value became a more powerful spiritual force of the masses of cadres and people with each passing day. All this provided favorable conditions for further creating a new situation. In the past year, we still had some shortcomings and defects in our work. We should sum up experiences, carry forward achievements, overcome shortcomings, and advance continuously.

The year 1985 is one in which the reform of the entire economic structure, with the focus on the urban economy, will begin in our implementation of the decision of the 3d Plenary Session of the 12th CPC Central Committee. It is also a year in which we will fulfill the "Sixth 5-Year Plan" in an all-round manner and prepare for the economic development in the "Seventh 5-Year" Plan period, and in which we will further improve party style and social conduct. The CPC Central Committee instructed that we should attend to the four major tasks of restructuring the economy, formulating the "Seventh 5-Year Plan," carrying out party rectification, and readjusting leading bodies. In line with the call of the CPC Central Committee, our major tasks in the new year will be: Conscientiously implementing the CPC Central Committee's decision on reform of the economic structure, greatly developing social productive forces, expanding the commodity economy in a planned manner, fulfilling the "Sixth 5-Year Plan" in an all-round manner, strengthening the socialist spiritual civilization, improving democracy and legality, carrying out the second-stage party rectification successfully in high standards, continuously improving the people's material and cultural lives on the basis of developed production, and striving to build our municipality into an economic center and a port city for international trade, which has advanced technology, developed industry, flourishing culture, and brisk commerce.

Economic structure remains to be the key in our various tasks. In economic work, we should emphasize reform, opening to the outside world and technical transformation.



ON THE REFORM: We should speed up the pace of the reform of the entire economic structure, with the focus on the urban economy. We should follow the guidelines of the CPC Central Committee's "decision," persistently proceed from reality of our municipality, and advance continuously on the basis of the experiences we have summed up. Experiments should be carried out in the fields in which successes are not sure, and the major reforms involving the whole country should be carried out strict accordance with the unified plans of the CPC Central Committee and the State Council. All the reforms should be conducive to social stability, production development, the improvement of the people's living standards, and the increase of revenue. All in all, we should emancipate our minds, have the courage to be pioneers, seek truth from facts, avoid uniformity, sum up experiences, proceed in an orderly way and step by step, give meticulous guidance, and work in a down-to-earth manner.

Municipal economic structural reform should be focused on vitalization of enterprises, the state-owned large and medium-sized enterprises in particular, and a new aspect should be opened in this regard. We must simplify administrative procedures and delegate powers to enterprises. For some enterprises, powers should be delegated before simplifying administrative procedures in order to promote the simplification of administrative procedures with delegation of powers. For some other enterprises, the delegation of powers and the simplification of administrative procedures can be combined and conducted simultaneously. We should resolutely implement the relevant regulations issued by the State Council concerning giving greater autonomy to enterprises, and let enterprises enjoy all rights and interests as stipulated by the CPC Central Committee's decision on economic structure reform. All responsible departments at higher levels and all comprehensive economic departments should actively create conditions for giving more powers to enterprises, and should help enterprises make good use of their powers. Various kinds of economic responsibility systems on a contract basis should be vigorously popularized in line with the specific situation of an enterprise. The distribution system should also be reformed. All enterprises that have passed their acceptance tests for consolidation should implement by stages and in groups the system of linking the total wage rate of an enterprise with its economic results, and linking workers' income with their work achievements. Such enterprises should also vigorously implement step by step the system of factory directors (managers) designated to undertake responsibility, and should establish a united, powerful, and efficient production headquarters and managerial system. Party organizations of enterprises should ensure and supervise the implementation of various principles and policies formulated by the party and the state, and strengthen party work among enterprises. It is necessary to amplify the workers' congress system and the democratic management system, safeguard the status of workers and staff members as masters of the enterprises, and give full play to the initiative, wisdom, and creative power of workers and staff members.

We should separate government functions from enterprise management. All related enterprises can gradually be organized as economic associations in line with their relations in production, and in accordance with the principles of voluntary participation and mutual benefit. All existing administrative companies, if possible, should vigorously turn themselves into enterprises. In this process, all enterprises subordinate to these administrative companies should be free to choose whether they will participate in or be integrated into these companies.

We should be meticulous in reform in other subsidiary fields. In accordance with the unified planning of the state council, we should actively and properly reform the planning, pricing, and wage systems. We should reform the domestic trade, foreign trade, and supplies management systems in order to further enliven circulation. We should also reform the financial and banking management systems and give full play to the role of price, tax revenue, and credit as an economic lever.

In reforming the economic management system, party and government organs will certainly be required to reform their organizations. We are now conducting investigations and studies to formulate general plans for organizational reform in line with the demands of the central authorities. Those irrationally staffed organizations should be restructured if various related fields agree to do so. In this process, setting up new organs and expanding staff is strictly forbidden. The reform of government organs should fully embody the functions of urban governments as stipulated by the "decision."

ON OPENING TO THE OUTSIDE WORLD: We should further emancipate our minds, overcome "leftist" influence and such economic ideas as closing the country to international intercourse and being self-sufficient and self-supporting, base ourselves upon Tianjin, serve the whole country, enter the world, and voluntarily link the development of our economy with the expansion of the economic and technological exchanges with foreign countries so as to make a still bigger stride and raise the work of opening to the outside world this year to a new level.

Great development of foreign economic relations and trade is the foundation for the work of opening to the outside world. We should give full play to the role of Tianjin as a port. We should reform the foreign trade system in line with the CPC Central Committee's decision. We should also export more, earn more foreign exchange, and provide favorable conditions for foreign capital utilization and technology importation.

The key to our municipality's opening to the outside world lies in bold utilization of foreign capital, importation of advanced technology and managerial experiences, and technical transformation of existing enterprises. We should make the best of the foreign exchange set aside by the state for technical transformation, actively win over the foreign exchange from various fields that may be won over, and, through various measures, such as joint ventures and production cooperation, fully use foreign capital to buy the advanced technology and equipment that have an important significance in domestic economic development. We should strengthen and improve the managerial work concerning foreign capital utilization and technology importation, and, in particular, do a good job in the overall balance of foreign exchange. When macroeconomic balance is not violated and the projects of importation are approved, we should give all the power of fact-finding, discussion, and arrangements for production to the units which will import the projects. Except for projects which will yield good social effects but create little benefit for the units which import the projects, all imported projects should be funded by the units which carry out the importation, and any units which benefit from them should pay back their loans. Foreign trade departments should actively support units which intend to import, help them in discussions, and provide them with information and services so as to play their role as coordinators. Great importance should be attached to reputation and efficiency when opening to the outside world.

We should vigorously create favorable conditions and make a success of work in various fields in order to further meet the needs of the new situation of opening to the outside world. The economic and technical development zone is a forward post of our municipality's opening to the outside world. It should be built successfully with a good start and high efficiency. While strengthening the infrastructure, we should sign contracts with foreign firms as soon as possible for joint venture and cooperation projects under discussion and make early arrangements for their construction. Development of the development zone should be planned in an all around manner with the industrial transformation of the old areas of the municipality so that they can promote each other, and so that the development zone can fully play its role as a "window of technology, management, knowledge and foreign policies."

We should accelerate tourism, and link it with foreign economic relations and trade and with scientific and technical exchanges with foreign countries. We should vigorously improve the environment for investment; strengthen infrastructure in the fields of energy, transportation, telecommunication, and urban construction in a planned manner; and build or renovate a number of restaurants and hotels. In line with the guidelines of the reply given by the CPC Central Committee, we should further the reform of the port managerial system and expand the decisionmaking power of the port. We should exert efforts to dredge the port. We should update port facilities, expand road transportation volume, and increase storehouses so that Tianjin port can further meet the needs of opening to the outside world.

We should further successfully open to other areas of the country; strengthen lateral economic relations; and expand the cooperation and exchange of information, material, funds, technology, and talented personnel with other provinces, municipalities and regions. We should lead our cooperation with other domestic areas with opening to the outside world, and promote our opening to the outside world with our cooperation with other domestic areas.

**ON TECHNICAL TRANSFORMATION:** An important principle for future economic construction is to technically transform, renovate, and expand existing enterprises. Based on the achievements and experiences we gained last year, we should carry out technical transformation on a larger scale, more quickly, and with higher standards this year, and strive to technically transform more than 80 percent of the municipality's key enterprises and to enable the technology of major industries and the quality of major products to reach the international standard of the early 1980's by 1990. We should step up and complete industrial planning with 82 key industrial products of 28 categories taking the lead, and planning for budding industries. With regard to technical transformation, we should change our ideas and resolutely foster the concepts of capital turnover, interest, and input and output, and strive to improve economic results. We should race against time and speed, carry out production and technical transformation simultaneously, shorten work periods, and yield results as quickly as possible. We should properly handle relations in the following fields.

The relations between general and key construction projects. All economic departments in the municipality have the duty to carry out technical transformation. They should use advanced technologies and equipment to gradually improve industry, agriculture, the building industry, commerce, and the communication and transport industry. All enterprises should vigorously promote the technical progress, extensively conduct the mass technical renovation campaign, and try every possible means to renovate technologies equipment, and products. As far as the entire municipality is concerned, owing to the lack of material and financial resources, we must pay attention to key construction projects, and concentrate our efforts on building the renovation and the on-going projects which have an important bearing on the overall economic situation of Tianjin.

The relations between renovation and readjustment. We should first strengthen the policymaking work. On the basis of planning for various professions and trades, and rationally readjusting the industrial organizational structure, we should define our overall plans for technical transformation, and implement these plans in a planned and well-guided manner. In line with the directions of Tianjin's economic development, the distribution of the urban and rural industries, and the demands of the domestic and international markets, we should vigorously renovate the traditional industry, exploit new industries, develop the tertiary industry, and establish an advanced and rational industrial structure.



Those enterprises whose economic results are poor, and whose products cannot be marketed should be resolutely closed down, suspended, merged or transferred to others, and the vacant plant rooms and unused workers should be used to produce urgently needed products, develop new products, and develop the service industry.

The relations between the import and the joint-research: We should seize opportunity to boldly import those advanced technologies which have not yet been mastered in our country and those installations which we lack in our country in order to rapidly change our backward situation. We should conduct proper appraisals and feasibility study for the imported projects so as to avoid blindness. We should organize forces to digest, absorb, and popularize the imported technologies and installations, and blaze new trails in this regard. At the same time, we should pay attention to applying the domestic scientific research achievements in production, and depend on the military industrial departments, universities, and scientific research units to tackle problems in scientific and technological research projects.

The relations between the centralized control and delegation of powers: The work bearing on the overall situation of technical transformations, such as policy decision for transformation projects, capital distribution, and transformation scale, should be centralized and controlled. But, enterprises should be given full powers to decide which transformation project should be conducted, and how to carry out the transformation projects. Meanwhile, the contract system and the system of managers designated to hold responsibility should be implemented in a comprehensive manner.

The drawing up of the municipal "Seventh 5-Year Plan" is a major event which bears on the municipal economic and social development. We should conscientiously study the nature, position, development direction, strategic priorities, and major measures of Tianjin, in line with the principles set forth by the central authorities concerning the construction during the "Seventh 5-Year Plan" period. All units, departments, professions, and trades should organize forces to draw up their "Seventh 5-Year" plans. The municipal CPC Committee plans to conduct some discussions and studies in a systematic manner during the second quarter of this year, make further appraisals in various fields, and form the program for the "Seventh 5-Year" plan within this year. Meanwhile, we should grasp the examination of the overall urban planning, and strive to report the planning to higher levels within the year.

At present, we are in a period of big social changes. Along with the comprehensive implementation of the guidelines of the 3d Plenary Session of the 11th CPC Central Committee, the socialist modernization drive will enter a new stage. The social economy will change from the closed and semi-closed state of the past to a vast and open situation in which the commodity economy is developed in a planned manner. In management system, the old rigid mode will be broken with, and the economic law will be respected and applied. The economic structure reform will certainly lead to a mass emancipation of productivity, and to a big change in the people's ideology and concept, work methods, and way of life. Leading cadres at all levels must pay attention to this special situation of the current development, and fully understand that in 1985 our work will be heavy, many new things will happen, our conditions will be very difficult, and the demands on us will be very high. We should enhance our spirit, work in full cooperation and with unity of purpose, meet difficulties head-on, advance stably, and strive to successfully achieve all the tasks of 1985.

## II

In 1985, when carrying out their work, all fronts should take the "decision" of the 3d Plenary Session of the 12th CPC Central Committee as a guide, regard reform as the major work, further correct the ideology guiding vocational work, carry out their work in a down-to-earth manner, achieve breakthroughs, and make new progress.

**INDUSTRY:** This year, our industrial production faces a grim situation of power shortage, strained transportation, a big gap in raw material supply, and acute competition. Our production and operation activities should be further geared to the needs of a market-oriented economy. Industrial enterprises should change their activities of pure production into those of business, and dare to pioneer. They should try all possible means to develop readily marketable, quality, and high-grade products, expand the production of basic raw materials and new materials, update and upgrade machinery and electric products more quickly, and gradually increase their ability to renovate and develop themselves. They should resolutely fulfill their enterprise consolidation tasks in an all-round manner in both quality and quantity, further improve their management and operation, promote technical progress, strive to lower production cost, improve product quality, increase variety, and increase their competitive edges. We should attach importance to information, establish information networks, intensify technological market forecast, study the strategy for development, formulate counter measures, and make overall arrangements in order for industrial enterprises in our municipality to achieve good economic results at high speed at present, and to have reserve strength for long-term use. We should work out ways to relieve the pressure on transportation. We should strengthen the rational organization for transportation, do a good job in dividing the work for and linking various transportation facilities, give full play to the role of road transportation, actively expand air and sea transportation, and greatly develop postal and telecommunications undertakings.

**AGRICULTURE:** We should implement the CPC Central Committee's guidelines comprehensively, and continue to reform the municipality's rural economy in a healthy way. We should adhere to the principle of enabling the agriculture of suburban counties to serve cities and enrich the people. We should continue to relax control over and enliven agriculture, vigorously readjust rural industrial structure, gradually establish a "trade-industry-agriculture" style industrial structure, and further develop the rural commodity economy of our municipality.

We should earnestly readjust the cropping industry, and greatly develop livestock breeding, agriculture, forestry, and fruit production. We should readjust the distribution of crops in line with the laws governing nature and the economy. The existing cultivated land should be used for grain production, livestock breeding or afforestation as conditions meet, but must never lie waste. Peasants should be encouraged to develop wasteland, barren hills, beaches, and water areas for production. We should further relax policies in order to attend to vegetable and fruit production and develop characteristically local cash crops. We should substantially increase hog, cattle, sheep, and fish production, ensure the market supply of eggs and milk, greatly develop households specialized in a certain production, and establish a few nonstaple food production bases in a planned manner.

We should continue to expand township enterprises. Following the step-by-step development of the urban reform, township enterprises will gain new vigor and also encounter new challenges. During competition, they should make the best of the advantages of rural areas, and consolidate and improve themselves.

We should encourage food industry with farm and sideline products as raw materials, and encourage the areas provided with necessary conditions to develop other processing industries. We should encourage the development of new undertakings, building industry, and building material industry. We should encourage peasants to engage in service trades in cities. We should also distribute some processing work of urban areas to rural areas in order for urban and rural areas to cooperate with and promote each other, achieve common development, and to become more prosperous with each passing day.

We should develop rural scientific and technical undertakings, and do a good job in scientific farming, breeding, and management. The utilization of marsh gas and solar energy should be widely popularized, and counties on the outskirts of cities should be supported in establishing scientific research centers, widely applying scientific and technical knowledge, and training scientific and technical personnel. We should encourage technology and personnel transfer, and send scientific and technical personnel to rural areas to help counterpart departments in a well-organized and well-guided manner. Urban scientific and technical personnel in various fields of specialties may be hired to work in rural areas while having their wages suspended and posts reserved if they have obtained the approval of the units where they belong.

Continued efforts should be made to improve the land contract methods and the responsibility system in forestry, animal husbandry, the aquatic products industry, and the town- and township-run enterprises. Great efforts should be made to develop and improve the rural cooperative system in line with the principles of voluntary participation and mutual benefit, and in line with the needs of the commodity economy. Effective this year, the unified and fixed state purchases of agricultural products will be abolished gradually. This is a major reform, and thus we must pay attention to it.

A new change should be made in the ideology guiding the rural work. Efforts should be made to break away from the influence of the natural economy and the small-scale agriculture, widen our field of vision, increase our knowledge, and try to master the new skills for building and managing the modern agriculture in the course of developing the commodity economy.

**CAPITAL CONSTRUCTION:** Our efforts should be concentrated on ensuring the construction of key projects, shortening the work period, lowering the cost, and creating a new level. We should attend to the comprehensive balances of manpower, financial, and material resources, and organize well the construction of large and medium-sized projects covered by the state budget and the municipal key projects. In building these projects, we should make overall plans and arrangements, and should be meticulous in designing and construction in order to fulfill all tasks on schedule.

The reform of capital construction should be conducted actively, and the management of capital construction should be strengthened. The bidding system and the investment contract system should be implemented generally. The examination organs should be amplified, and government supervision should be strengthened in order to ensure the quality of projects. The employment system of state-run construction enterprises should be reformed. The system of fixed ratio between wages and the 100-yuan output value should be popularized continually and comprehensively. Greater efforts should be made to reform the designing work, turn prospecting and designing units into community-oriented enterprises, and advocate competition for designing. Every possible means should be tried to exploit new natural resources, reform the building materials supply methods, open materials markets, and actively popularize the method of supplying on a contract basis materials used to build subsidiary installations of the key construction projects.



Great efforts should be made to develop the house construction and development industry, and to open more building markets in urban and rural areas. The current situations of building houses with funds raised in a unified manner and managing houses in a unified manner should be gradually changed to the situation in which residences can be marketed freely.

**COMMERCE:** We should strive to open up more markets, and gradually establish an open, multichannel, and multifunctional circulation system with fewer intermediate links. We should reform the wholesale system, improve and build various kinds of trade centers, and establish some open-style wholesale centers which have distinctive local features and which are managed independently. The commodities of the same kind should be allowed to have some trade centers, and to compete with each other in trade. We should speed up the amalgamation of commercial stations and commercial departments, and reorganize them into some multipurpose or professional enterprises in line with the principles of rational division of labor and vitalizing the management. Small retail commercial centers and catering and service centers should conduct independent accounting and assume sole responsibility for their profits or losses. Fresh and live commodities should be directly supplied to shops with producers directly contacting sellers. The retail grain shops should gradually turn their management nature into business nature. Supply and marketing cooperatives should strive to turn themselves into the multi-purpose rural economic service centers. All retail and wholesale departments should firmly foster the idea of serving the industrial and agricultural production and serving the people's livelihood, improve service attitude and quality, actively organize supply of goods, and vitalize the urban and rural markets. They should unite their own economic results with the efficiency of the society, and voluntarily safeguard the interests of the state and the consumers. Pertinent departments should actually strengthen the supervision and management of markets, and strictly deal with all violations of the commodity supply policy and the pricing policy. We should carry out experiments for reforming the goods supplies system, open up multichannel sources of goods, and strive to balance the supply and demand of the means of production.

**FOREIGN ECONOMIC RELATIONS AND FOREIGN TRADE:** We should exert great efforts to organize material supply, make arrangements for export commodities in order of importance and urgency, strive to reduce deficits, and enable the import and export trade to achieve a fairly great development. We should expedite utilization of foreign capital, and establish more China-foreign joint ventures. The key to foreign trade development lies in successful structural reform. The central authorities recently decided to grant our municipality the power to operate and manage foreign trade. We should study carefully, make meticulous arrangements, make good coordination, and exercise the power in a steady and prudent manner. At present, we should also continue to attend to the coordination between industry and trade, between agriculture and trade, between technology and trade, and between import and export, widely apply the measure of setting up agencies for foreign trade companies, and develop the joint operation of production and import-export work. Production enterprises and operational units provided with necessary conditions may experiment with independent foreign trade. We should strengthen economic and technical cooperation with foreign countries, and develop, to a greater extent, construction contracts and labor service cooperation with foreign countries.

**SCIENCE AND TECHNOLOGY:** We should resolutely and effectively reform the scientific and technical system in line with the principle of relying on science and technology in economic construction and gearing science and technology to the needs of economic construction and in line with the basic guidelines of the decision of the 3d Plenary Session of the 12th CPC Central Committee in order to promote our municipality's scientific and technical undertakings.

We should turn technology into commodities more quickly, and open up technology fairs. We should foster the concept of valuing knowledge and technology, formulate feasible policies and measures, turn technologies into commodities more quickly, and turn scientific and technical findings into productive forces. We should gradually establish a patent work system in our municipality to protect the patents and production rights. We should work out corresponding detailed rules and regulations on transfer of scientific and technical findings in accordance with the State Council's provisional regulations on technology transfer.

Decisionmaking power of scientific research units should be expanded. We should implement a technology responsibility system under which responsibilities, powers, and profits are combined, establish and improve the system of managers assuming full responsibility, and give greater autonomy correspondingly to the leaders of scientific research endeavors and managers of laboratories with regard to personnel and contracts for research jobs.

The organization of scientific research units should be restructured, and research and design organs should be encouraged to cooperate with production units. In the principle of voluntary participation and mutual benefit, we should encourage military industrial departments, scientific research units of the central authorities stationed in Tianjin, colleges and universities, and local scientific research institutes to set up various forms of associations for scientific research and production, and their cooperation should be stable on a long-term basis. We should establish companies which cover all the scientific research, designing, production, and service work on a trial basis. We should study and work out some policies to encourage this work. In short, through various measures and channels, we should make science and technology serve economic construction, and increase enterprises' ability for technology development.

Scientific research units engaged in technology development, popularization, and application should vigorously sign contracts with user organizations that list remunerations and introduce the contract system for internal research jobs, and gradually attain self-reliance in financing their activities. We should institute special-project funds for the municipality's scientific research in order to support basic research and research for technology reservation, renovate important laboratories, and establish testing bases.

The contingents of scientific and technical personnel should be restructured, and rational transfer of talented personnel should be encouraged. We should handsomely reward scientific and technical personnel with significant contributions, actively carry out scientific and technical exchange and cooperation with foreign countries, bravely bring in talented personnel from other areas, and encourage scientific research units to cooperate in the fields of research, design, and production with foreign countries and with other friendly cities. Research and development work of scientific research units should be linked closely with technology importation so that they can promote each other.

Philosophy and social sciences should also be geared to the needs of economic construction. We should persistently proceed from the reality of Tianjin, and intensify the study of major practical and theoretical issues in the new period. We should encourage independent thinking and freedom of exploration. Cooperation between research departments and those in charge of practical work, and between social scientific workers and natural scientific workers should be strengthened. We should do a good job in the planning for philosophy and social sciences, and continue investigations and study of social scientific jobs.

EDUCATION: We should create a new situation in educational reform in accordance with the principle of gearing educational work to the needs of the modernization cause, the world, and the future and by grasping the three major issues of balancing the higher educational system, readjusting the structure of secondary education, and improving the quality of the primary and middle school teacher ranks. We should operate schools at various levels and through various channels and speed up the training of competent personnel. Leaders at all levels and the relevant departments should pay attention to and support education.

We should realistically expand the decisionmaking power of higher educational institutes and make them more lively in accordance with the spirit of simplifying administration and delegating power. We should give full play to the potential of the existing teacher ranks and the facilities of schools, expand the scale of enrollment, and increase the proportion of postgraduates and vocational school students. It is necessary to set up badly needed and developing specialized courses.

Continued efforts should be made to readjust the structure of secondary education and actively develop secondary and primary vocational and technical education. We should vigorously create appropriate conditions; give full play to the experience of the existing schools; increase the proportion of students of secondary vocational schools, secondary technical schools, and vocational middle schools; and transfer to society a great number of medium-ranking technical personnel and experienced technical workers who have a certain standard of general knowledge and technical expertise in order to form a rational structure of high-, medium-, and primary-ranking specialized personnel. We should encourage departments, enterprises, and schools to jointly operate vocational middle schools, and support the collective and individuals to operate schools. We should also encourage people to become competent through self education and give examinations for self-taught students through various channels. Adult education should be vigorously developed and radio and television education should be well operated in order to raise the scientific, technical, and cultural levels of all workers and staff in the municipality.

Stabilizing the primary and middle school teacher ranks and improving their quality are the key to operating ordinary education well. We should raise the wages and social status of primary and middle school teachers, conscientiously clarify their professional titles, and reform their wage system. Active efforts should be made to solve the constructive housing problems of primary and middle school teachers, operate normal education at all levels, and adopt various ways to train teachers. Continued efforts should be made to select experimental units for reforming the leadership and management systems of primary and middle schools.

CULTURAL UNDERTAKINGS: We should make great progress this year. While carrying out literary and artistic work, we should implement the spirit of "great efforts, great unity, and great prosperity." We should firmly guarantee freedom for writers and artists, provide necessary conditions for them, and create the necessary environment and atmosphere for them so that they can give full play to their creative talents to better serve the people and socialism. We should continue to adhere to the principle of letting a hundred flowers blossom and a hundred schools of thought contend, and give correct comments on literature and the arts. It is necessary to actively train young art and literary workers, encourage them to go deeply into the countryside, enterprises, PLA units, and the torrents of economic and social life to create a number of outstanding literary and artistic works with great enthusiasm. We should continue to reform the systems of artistic and literary performing troupes, further improve the contract responsibility system of drama theaters and troupes, enhance the vitality and energy of art units, boost the creative and performing enthusiasm of the collective and individuals, and unceasingly improve the quality of their performance.



In press and publication work, we should attach primary importance to raising the propaganda level and social effects. On this basis, we should also strive to improve the mass media, operation, and management, and raise the economic results. The relevant departments should strengthen management of small newspapers and the playing of videotapes, and guard against the spread of things having an unhealthy content.

Our art and literary work, theoretical work, and the propaganda in newspapers, periodicals, radio broadcasts, television, and films should be conducive to helping the people correctly understand their era, and deepen their understanding of the party's principles and policies; conducive to helping the people foster a civilized, healthy, and scientific way of life; conducive to broadening the people's scope of vision and enriching their knowledge and spiritual realm; and conducive to consolidating and developing the excellent situation and promoting stability and unity in all fields.

**PHYSICAL CULTURE AND PUBLIC HEALTH:** Because physical culture has a bearing on the people's health, the nation's prosperity, and the country's honor, CPC committees at all levels should give priority to it and support it. Proceeding from the practical situation in the municipality, and by giving prominence to major items, we should strengthen the building of excellent sports contingents, vigorously train the reserve sportsmen, and raise the level of sports. We should extensively mobilize the people to popularize mass sports activities in order to improve the physique of the people. We should vigorously conduct, popularize, and promote sports competitions. Public health work should help improve the people's health and promote economic construction. We should pay close attention to reforming the medical and health work, further establish and improve the disease prevention system, promote the progress of medical technologies, rigorously enforce rules and regulations, change the style of medical work, and improve quality of medical service. We should continue to develop in-home health care, and run hospitals through various channels and using various forms. We should continually pay attention to family planning work.

**POLITICAL AND JUDICIAL WORK:** We should continue to deal severe blows to serious criminal offenses and economic irregularities, and comprehensively implement the policy of overall administration over public security in order to create a good social environment for the four modernizations. We should conduct education and propagation on the legal system, spread general legal knowledge among cadres and the masses, strengthen the people's ideas concerning laws and discipline, and help them cultivate the habits of abiding by laws and discipline and handling affairs according to law.

We should pay attention to the work concerning the people's armed forces, strengthen the building of the national defense reserve forces, and give full play to the role of the militiamen in economic construction and in the building of socialist spiritual civilization. We should continue to strengthen the Army-civilian joint activity, and intensify the unity between the Army and the government and between the Army and the people.

### III

Strengthening the management of urban areas and improving the people's living standards is still important work for this year. We should achieve still better results in this regard.

**MANAGING URBAN AREAS WELL:** This is the basic work for urban areas, as well as a prerequisite for reform and the open policy. During the past few years, the functions of urban areas in the municipality have been improved somewhat, but they still lag behind the economic development, the open policy, and the needs of the people's livelihood. In urban areas, the public facilities are still limited, and urban management is still backward.

This year, in the course of accelerating urban construction, we should strengthen and improve the urban management work in the following three aspects: First, we should pay attention to the administration of planning work. In urban planning work, we must uphold the principles of centralization and unification. In implementing and administering the plans, we should give full play to the role of districts, neighborhoods, and the people, and mobilize the people across the municipality and specialists and scholars of all circles to offer advice and raise suggestions. The plans for various districts and neighborhoods should conform to the overall planning. Proper arrangements must be made for the areas which urgently need rebuilding and renovation. Second, we should pay attention to municipal administration. In this regard, we should establish and improve various related rules and regulations, and implement the responsibility system. We should also strengthen the management of traffic, fire-fighting, water supply, electricity supply, gas supply, and road maintenance work. Third, we should pay attention to environmental management. We should vigorously control pollution, promote what is beneficial and abolish what is harmful, improve and protect the surroundings, and maintain the ecological balance. We should also vigorously make the urban areas green, plant gardens and build parks, continue to repair and build courtyard-type parks in urban areas, and create a new and quality look for gardens and parks.

Eliminating dirtiness, disorder, and poor service is not only the work of urban management, but also an important content of the "five stresses, four beauties, and three loves" campaign. This year, we should give prominence to eliminating dirtiness, should organize the masses to participate in the patriotic and public health campaign and to eliminate pests and mice, and should resolutely prevent various infectious diseases. Priority should be given to consolidating the appearances of streets, plants, shops, and units. All professions and trades should stress civility and good manners, observe socialist professional morality, and try to improve service quality. In eliminating "dirtiness, disorder, and poor service," we should pay attention to practical results, rather than engage in formalism.

**DO NEW THINGS FOR THE PEOPLE:** It is the fundamental purpose of the party and the government to serve the people wholeheartedly. As early as 40 years ago, Comrade Mao Zedong pointed out that our party's work is to help the people develop production and improve the standard of their cultural life with utmost efforts, and to give them tangible material benefits. For this purpose, we should spare no labor and hardships to study the issues concerning the people's lives day and night and in an earnest and down-to-earth manner. Since the 3d Plenary Session of the 11th CPC Central Committee, the CPC Central Committee has time and again stressed the need to show concern for the people's lives, and again pointed out during party rectification that it is necessary to re-educate party members to serve the people. During the past few years, we have actually done several things every year to improve the people's living standards, and have won the support of the masses. Continuously improving the people's material and cultural lives on the basis of developed production is a policy that the municipal CPC Committee and government will persist in for a long time in the future. This year, after summing up experiences, we should continue to solve those problems concerning the people's lives that urgently need solution, according to our financial and material capacity. We should strive to build 3.2 million square meters of residential housing, repair in an all-round manner the houses in which "people have to make a triple jump over pits," accelerate wide utilization of gas by the people, expand roads, relieve the pressure on those roads where frequent traffic jams occur, repair and build overpasses, open up the Zhonghuan and Neihuan lines, beautify villages according to new plans, build and repair rural highways, and strive to make every village accessible by car in 3 years.

In line with the masses' opinions and desires, all districts, counties, and bureaus, and units at all levels should correctly select the projects they will embark upon, and strive to do more concrete things for the people which they can see and feel, according to their capacity. For example, they should develop nursery and kindergarten education, build public welfare facilities, and successfully run restaurants and public bathhouses.

**DEVELOP TERTIARY INDUSTRY:** Because of historical reasons, many urgent problems concerning the people's lives have yet to be solved. We should attach great importance to tertiary industry, focusing on social services. Within a short period of time, we should exert great efforts to restore and open the stores, restaurants, and shops that have traditional characteristics, build a number of stores and service centers, open farm product trade fairs, and gradually commercialize and socialize the services of the rear service units of departments, enterprises, and schools so that the "difficulties in finding lodgings, restaurants, dress-makers, bathhouses, transportation facilities, repair shops, and nurseries and kindergartens" can be eased, to a fairly great extent. We should also note that following the development of production during the past few years, urban and rural people have put forward many new demands in the field of consumption. We should follow this trend and actively open up new spheres in tertiary industry. This year, we will build a street of hotels, a street of cultural shops, and a street of China-foreign joint venture businesses. We should strive to develop modern, budding services in information, technology, and consultation. At present, the people are asking not only for improvement of material life but also for a rich cultural life. We should make arrangements for colorful and varied cultural, recreational, sports, intellectual, and service activities according to the needs of the people of different occupations and ages, and open more recreational centers. We should persistently pool the resources of the state, the collective, and the individual, study ways to use economic levers, and implement preferential provisions in the fields of prices, taxes, and credit in order to promote tertiary industry. The municipal government should work out overall plans for the development of tertiary industry, and put forward specific programs and policy measures.

**STRENGTHEN DISTRICT AND NEIGHBORHOOD WORK:** We should give full play in the role of districts and neighborhoods in urban management and making arrangements for the people's lives. In conscientious implementation of the plan for the reform of the system of districts, all districts should take the initiative and vigorously and successfully use the power granted them. Relevant departments of the municipality should truly delegate the power to districts that should be delegated such power, help them overcome some difficulties, and make concerted efforts to successfully manage the city and arrange for the people's lives.

#### IV

The work of party building and conducting ideological and political education and organizational affairs must follow and serve the general task and target set forth by the 12th CPC Congress and must be closely integrated with various practical works so as to ensure the smooth progress of conducting reforms and enforcing the open-door policy.

**FULFILL PARTY RECTIFICATION TASKS WITH A HIGH STANDARD:** In the course of party rectification, efforts should be made to eliminate obstacles for the transformation drive and the program of building the four modernizations in the fields of ideology, politics, and organization, and to pioneer roads so as to give more impetus and provide guarantee for the fulfillment.



After basically fulfilling the tasks of conducting organizational measures and party member registration, units that have been assigned to the first stage of party rectification, in line with the No 11 Circular issued by the Central Committee for Guiding Party Rectification, should spend a period of time on earnestly examining, summing up, consolidating, and developing their achievements scored in party rectification. Units that have reached the five criteria covered by the decision adopted by the CPC Central Committee are able to proclaim the conclusion of the party rectification drive after receiving the approval of their higher party authorities and to shift their work to ordinary construction. Units that have lagged behind to the demand of the decision adopted for party rectification and that have been often complained about by the masses should do a good job in adopting remedial measures for dealing with their existing problems by following the second-stage party rectification activities. As to this work, the party committee at higher levels should strengthen their guidance over these units, control them strictly, and should by no means let them do the work perfunctorily and superficially.

Units that have been assigned to the second stage of party rectification should fulfill in an all-round way the four tasks covered by the decision adopted by the CPC Central Committee in regard with "unifying ideology, consolidating work style, strictly enforcing discipline, and purifying organizations." At present, we should strengthen our work in the following six aspects: We should concentrate our study on the major issues of the party rectification documents. We should closely integrate the party rectification work with the drive of conducting reforms. We should carry out in depth the education of totally negating the "Cultural Revolution" and continue to do a good job in ferreting out the "three-category" elements. We should earnestly study or correct the malpractices cropping up under the new situation. We should do a good job in further readjusting leading bodies. We should persistently pay attention to having in mind the work of upgrading the ideological and political consciousness among the broad masses of party members. In the current course of conducting reforms and economic work, these units that have begun their party rectification work are playing an important role, and therefore, they should resolutely implement the basic principle covered by the decision adopted by the CPC Central Committee for party rectification in regard to "not only dealing with problems, but also not stirring up chaos." By drawing on and developing the fresh experience gained in dealing with inner-party contradictions in the first stage of party rectification, they should depend on the revolutionary awareness of party organizations and members from the beginning to the end to solve inner-party problems by upholding the principle of seeking truth from facts and conducting criticism and self-criticism. The principal leading comrades of party organizations should personally take charge of party rectification. They should pay great attention to closely integrating party rectification with economic work so as to realistically achieve the work of enabling party rectification to promote the economy and enabling the economy to test the work of party rectification.

**STRENGTHEN THE PARTY'S DISCIPLINE INSPECTION WORK:** The party committees at all levels should improve or implement the responsibility systems of consolidating party style. The discipline inspection departments should concentrate their efforts on correcting the malpractices of seeking personal gain by taking advantage of power and of serious bureaucracy. At present, we should vigorously block the following three most serious evil practices: 1) The party and government organs and cadres opened businesses and enterprises by taking advantage of power and position and sought profits by illegally purchasing and reselling state materials in short supply. 2) Some of them violated the policies, raising the prices arbitrarily, disturbed the socialist economy, and brought about damage to the interests of consumers.

3) Some of them concocted various pretexts to distribute bonuses and materials arbitrarily. Hereafter, efforts should be made to study the new situation and problems and to adapt the discipline inspection work for the new situation so as to bring into play the role of the work in conducting reforms.

**DO A GOOD JOB IN CONSOLIDATING AND BUILDING LEADING BODIES AT ALL LEVELS:** The important task of 1985 is to further readjust and reinforce the leading bodies at all levels in order to enable them to be filled with much vigor, to further enrich their knowledge, to be stronger in displaying their pioneering spirit, and to achieve rational intellectual structure between organizations and the masses. The party committees at all levels should do away with the fetters of the out-of-date regulations and rules and exert all-out efforts to continuously employ and train a large number of middle-aged and young cadres.

We should distinguish between different situations and give different guidance in light of different cases. We should toughen and improve those leading bodies which meet the requirements for cadres and which can open up a new situation and should help them improve themselves; we should replenish, readjust, and improve those unhealthy ones which are irrational in age, knowledge, and professional structures and some incompetent leading members; and we should rapidly and resolutely reorganize and readjust those leading bodies which are in a paralysed or semi-paralysed state. Party rectification units and those prefectures and counties which will hold party congresses during this year should also readjust their leading bodies. Some units may readjust their leading bodies through reforming systems. According to the stipulations of the central authorities, we should complete readjusting the leading bodies of large and medium-sized key enterprises in the first half of this year, while the readjustment of leading bodies of the other enterprises may be carried out group by group by various prefectures, counties, and bureaus in light of their own situations. In the course of readjusting leading bodies, we should also firmly grasp the building of the third echelon as a strategic task. The cadres system as well as the personnel management system should also be reformed.

Training in-service cadres in a large-scale and regularized manner and enhancing the political and professional quality as well as the operational and management level of the cadre ranks are the fundamental ways to make them meet the four requirements for cadres. The CPC committees at all levels should be determined to grasp this work well. It is necessary to persist in proceeding from reality in doing everything, define the training contents, ways and targets in line with the characteristics of different cadres, pay attention to quality, and guard against simply seeking record of normal schooling. The work of party and cadre schools at all levels should also be strengthened.

We should make further efforts in veteran cadre work and give political and welfare treatments to retired cadres in accordance with the central stipulations in order to form a good social habit of respecting and cherishing the old.

**REALISTICALLY STRENGTHEN AND IMPROVE THE PARTY'S IDEOLOGICAL AND POLITICAL WORK:** Under the new situation of reform and opening to the outside world, the party's ideological and political work should be strengthened and not weakened. We should adhere to the four basic principles, mobilize all positive factors through vigorous ideological and political work, strengthen our ability to overcome negative factors, resist the corrosive capitalist ideology, and straighten out all unhealthy trends cropping up in the course of reform. Secretaries of the CPC Committees should realistically free themselves from routine office work and concentrate their energies on grasping the party's ideological and political work.

The trade unions, the CYL Committees, the women's federations, and other mass organizations as well as party and government cadres, leaders at the various levels, teachers and theoretical workers should make concerted efforts to attend to this work.

While carrying out the party's ideological and political work, we should conscientiously study the new targets, new situations, and new problems and should achieve new changes in the guiding ideology, and work contents and methods. We should focus our work on economic construction, carry out ideological and political work in production, management, distribution, and other activities, fully familiarize with daily life, and make all lively activities imbued with ideological and political education so that the contents of our work will be knowledgeable, interesting, and artistic. In ideological and political work, we should also explain the basic principles clearly, show concern for the livelihood of the masses, and satisfy the various needs of the people. We should explain principles to the people patiently and serve them enthusiastically.

Studying and publicizing the decision of the 3d Plenary Session of the 12th CPC Central Committee well are the main tasks of the ideological and political work. This year, all party members and cadres should study systematically in line with their various tasks, familiarize with the nature, purpose, and direction of reform, and unify their thinking to the guidelines of the central decision. Leading cadres at all levels should take the lead in studying the decision well.

We should penetratingly, persistently, and extensively spread education on patriotism, collectivism, socialism, and communism to the broad masses of cadres and particularly among youths through various activities and integrate the four kinds of education together. Advanced persons who have dedicated themselves to serving the people, have a communist labor attitude, and have a lofty morality and sentiment should be commended.

A successful reform will inevitably bring stability and prosperity to society, and reform is an essential condition for stability and unity. Under the situation in which reform will be carried out in all fields this year, the CPC committees at all levels and all the party's working departments should grasp the situation with great attention, always observe the feelings of the masses, solve problems whenever they have been discovered, work diligently and carefully, and strive to minimize any social impact that might occur in the course of reform. All comrades must be clear-minded in dealing with such major issues that may affect the stability of the overall situation.

The municipal CPC Committee has called on all Communist Party members, particularly party-member leading cadres, to study Marxism-Leninism-Mao Zedong Thought, to become qualified ideological and political workers, to do propaganda work among the masses, and to organize the masses and lead them in advancing in the course of reform. We should foster the ideas of taking the overall situation into account, consciously safeguarded the interests of the party and the people, play a vanguard and exemplary role, be the first to bear hardships and the last to enjoy comforts, never fight among the people for money, never do things that harm the prestige of reform or interfere with reform, and resolutely struggle against various evil trends and unhealthy practices.

**CONSCIENTIOUSLY IMPLEMENT THE PARTY'S VARIOUS POLICIES:** This year, we should focus our attention on implementing the policy on intellectuals, cherish and rationally use the broad masses of intellectuals, and enable them to display their expertise and talents in the course of the four modernizations. We should also struggle against the ignorant phenomena of discriminating against, showing contempt for, and dealing blows to intellectuals. The problem of intellectuals finding it hard to join the party should be solved realistically.



Continued efforts should be made to step up the implementation of the party's various united front work policies, and solve the problem of some nonparty members finding it hard to get information or to exert their efforts. The CPC committees of various districts, counties, and bureaus should investigate how policies are being carried out in their own localities, departments, and subordinate units and should solve problems whenever they are discovered. Persons who refuse to carry out policies should be criticized and educated and some should be removed from leading posts.

**REALISTICALLY CHANGE THE WORK STYLE OF LEADERS:** This year, the major point of work is to enable the leading organs at the various levels to shift their work to the path of serving production, the grass roots, and enterprises, as well as serving the prosperity of the state and the richness and happiness of the people.

Leading cadres at all levels should grasp reform. Responsible comrades of the municipal CPC Committee and government should each participate in an enterprise's reform process. Cadres of economic departments at and above the section level should do likewise. It is necessary to actively promote the spirit of dealing with concrete matters relating to one's work, to avoid doing superficial work, and to stop giving general directives and calls. We should adopt effective measures to make leaders at the various levels realistically free themselves from numerous documents and meetings. The municipal CPC Committee and government should take the lead in making arrangements for and checking all future major work. Such work should be done rapidly and efficiently from the higher to the lower levels.

We should do a better job in the work of the people's congresses at the various levels and of the municipal, district, and county People's Congress Standing Committees, enabling them to fully exercise powers which the Constitution and the law have entrusted to the local state organs of power. We should speed up the formulation of economic laws and regulations and other local regulations in the light of the needs of reform and opening to the outside world and in accordance with the principle of being enthusiastic and careful in doing things. Grass-roots political power should also be strengthened.

We should consolidate and develop the patriotic united front, and let the CPPCC committees, the various democratic parties, the Federation of Industry and Commerce, the Federation of Taiwan Compatriots, the Federation of Returned Overseas Chinese and other mass organizations to fully display their role in the four modernizations as well as in the great cause of reunifying the motherland. National unity should also be further strengthened. The whole party should attend to the work concerning Taiwan.

Mass organizations, such as the trade unions, the CYL organs, and the women's federations, should maintain independence and keep the initiative in their own hands, display their own characteristics while carrying out their work, and make great contributions to building the municipality's two civilizations.

The CPC committees and governments at all levels and the various departments should formulate their own work plans for the year in line with their major points of work and their own actual situations.

SPECIAL TREATMENT FOR HEILONGJIANG BUSINESSES

SK282240 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 27 Feb 85

[Text] Financial departments at all levels throughout the province have further relaxed policy restrictions concerning township- and town-run enterprises in order to support the development of such enterprises.

At the recent provincial meeting of party secretaries from various prefectures, cities, and counties, (Qian Shen), deputy director of the provincial Financial Department, pointed out that in order to support rural areas in developing commodity production, the province had initially decided to relax tax revenue restrictions on township- and town-run enterprises in the following areas:

Hereafter, newly-opened township- and town-run enterprises can be exempted from taxes on products and business for 1 year, and from taxes on industrial and commercial income for 2 or 3 years.

The new developing township- and town-run enterprises of minority, border, and backward areas and of old revolutionary bases opened by outsiders or local inhabitants can be exempted from income tax for 5 years.

Except for the cigarette, wine, sugar, candy, and dairy and gourmet products industries, new feed, mining, and minor energy resources industries can be exempted from the industrial and commercial taxes from 3 to 5 years.

Township- and town-run enterprises whose products serve the local livelihood and production and which engage in production by utilizing waste products can be exempted from income tax or can have their income tax reduced.

Township- and town-run enterprises can enjoy preferential treatment in the fields of loans, setting up wage scales, fund acceptance, social expenditures, and of opening marsh gas businesses and small hydroelectric power plants.

HEILONGJIANG CITY TO IMPORT MORE TECHNOLOGY

OW281728 Beijing XINHUA in English 1500 GMT 28 Feb 85

[Text] Harbin, February 28 (XINHUA) -- Harbin, capital of northeast China's Heilongjiang Province, plans to import advanced technology and equipment worth 400 million yuan (about 140 million U.S. dollars) this year, municipal officials disclosed here today.

Harbin is one of only seven Chinese cities which have been granted province-level authority in foreign trade matters. There are 108 projects involved in the latest technology-import plan, and they cover the machinery, textiles, chemicals, foodstuffs, medical supplies and building materials industries. The terms of import are flexible -- direct import, joint ventures, compensation trade, or co-production.

For this purpose, the city plans to invite foreign businessmen to a forum this spring. Moreover, the officials said, Harbin welcomes foreign technical exhibitions. The city is also preparing to send business teams abroad empowered to negotiate and sign agreements, and, at the same time, it will also set up agencies in Japan, Hong Kong, and other countries and regions. Harbin already has economic ties with Japan, the United States, Switzerland, the Soviet Union and other countries.

JILIN PROVINCE ON ECONOMIC ACHIEVEMENTS IN 1984

SK230513 Changchun Jilin Provincial Service in Mandarin 1030 GMT 22 Feb 85

[Text] Thanks to deeply implementing the No 1 Document issued by the CPC Central Committee and having further brought into play the enthusiasm of peasants, our province reaped bumper agricultural harvests and scored large increases in grain output and the people's income in 1984. Peasants throughout the province earned 1.8 billion yuan in cash by selling their farm and sideline products, a 13.4 percent increase over the 1983 figure. The per household income in this regard was more than 560 yuan. Thanks to the reduction of old debts, peasants were able to hold more cash and increased their deposits and the volume of buying commodities. At the end of last December, personal deposits of peasants scored a 29.7 percent increase over the 1983 figure. In January this year, their deposits scored a 6.6 percent increase over the figure of last December. Per household deposit in banks was more than 350 yuan. Therefore, rural markets enjoyed brisk business prior to the Spring Festival and scored an all-round increase in the sales of commodities of food, clothing, housing, and of daily necessities, and agricultural production means. In December 1984, the retail sales of consumer goods among the supply and marketing cooperatives throughout the province surpassed the figure of the corresponding 1983 period by 7.3 percent and of agricultural production means, by 7.6 percent. As soon as January began this year, peasants also began to purchase materials for Spring Festival and to prepare for farming.

Thanks to the steady upgrading of living standards, peasants have brought great changes in the demand of commodities. They have demanded multiple varieties of products and high nutrition in food commodities. They have shifted their food grains from coarse to fine ones. In January this year, the supply and marketing cooperatives throughout the province sold 9.53 million jin of rice, 2.6 times the figure of the corresponding 1983 period; 8.03 million jin of flour, a 55.3 percent increase over the figure of the corresponding 1983 period; 2.02 million jin of dried noodles, an 18.1 percent increase over the figure of the corresponding 1983 period; and 1.2 million jin of food oil, 6 times the figure of the corresponding 1983 period. Peasants in the province have also stressed nourishing and diversified nonstaple foodstuffs. The volume demanded by peasants of high grade fruits including oranges, various canned fruits and foodstuffs, dried vegetables, seasonings, festive figs, and fine quality candies, has greatly increased. The large amount of well-packed cakes introduced from Shanghai Municipality and Guangzhou City has fallen short of demand. The supply of famous brand and fine quality cigarettes and wine, as well as some aquatic products, has been seriously short of demand. In clothing, rural villages have steadily shifted their attention to diversified and urbanized products. They prefer medium or high grade materials for clothes. In January this year, the sales of wool and silk fabric that was in short supply surpassed that of the corresponding 1983 period respectively by 33.3 percent and 1.4 times. They have shifted the demand of daily commodities to those of famous brands, high grade, and of new styles. The sales of home electric appliances have increased sharply. The supply of general industrial daily commodities has increased stably. In January this year, the sales of television sets surpassed that of the corresponding 1983 period by 1.1 times. The sales of recorders among the supply and marketing cooperatives throughout the province surpassed that of the corresponding 1983 period by 3.8 times, and of washing machines, by 1.6 times.



NORTHWEST REGIONLANZHOU PLA COMMANDER VISITS SIGNALS REGIMENT

HK230325 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 22 Feb 85

[Excerpt] On the morning of 21 February, Lanzhou Military Region Commander Zheng Weishan paid a special visit to a certain signals regiment stationed at a place 2,000 meters above sea-level to spend the Spring Festival with the commanders and fighters. Zheng Weishan asked about the situation in training dual-purpose talented people for use in Army and civilian life. He said: Training these dual-purpose talented people is a major affair benefitting the country, the people, and the Army.

GANSU'S LI ZIQI VISITS PUBLIC SECURITY CADRES

HK270730 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 25 Feb 85

[Excerpts] Yesterday [25 February] accompanied by Wang Jintang, secretary of the Lanzhou City CPC Committee, Li Ziqi, secretary of the provincial CPC Committee, went to the Lanzhou City Public Security Bureau to visit the public security cadres and policemen who have stood fast at their work posts.

After Comrade Li Ziqi listened to the work report made by a responsible comrade of the Lanzhou City Public Security Bureau, he said: The public security front is very important. The labor has produced very good results. Your efforts are responsible for the fact that all people through the city could spend the Spring Festival happily. The masses have praised and thanked you for your hard work. In his speech Comrade Li Ziqi expressed the hope that we will do a better job in social order and traffic order this year.

To ensure social order during the period so that the masses could happily spend the Spring Festival and the Lantern Festival, from the 30th day of the twelfth month to the 15th day of the first month of the lunar year, the public security cadres and policemen in Lanzhou City have stood fast at their work posts and have worked hard day and night.

QINGHAI LEADERS VISIT WORKERS, POLICEMEN

HK220155 Xining Qinghai Provincial Service in Mandarin 1100 GMT 21 Feb 85

[Excerpts] On the morning of lunar new year's day, leading comrades of the party and government in the province visited workers and public security personnel who are continuing to work during the Spring Festival. Provincial CPC Committee Secretary Zhao Haifeng visited the dispatching center and locomotive depot of Xining railroad sub-bureau and the control units in Xiuning railroad station.

Provincial CPC Committee Secretary Ma Wanli visited various units of Xining City Public Security Bureau and the city Armed Police Force.

BAI JINIAN ADDRESSES SHAANXI TEACHER'S FORUM

HK281506 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 25 Feb 85

[Excerpts] Yesterday [25 February] morning the provincial CPC Committee and government held a forum of teachers guiding postgraduate doctoral students at the meeting hall of [words indistinct]. Some 50 teachers guiding postgraduate doctoral students from 11 colleges and universities in the province attended the forum.

Bai Jinian, secretary of the provincial CPC Committee; Li Qingwei, provincial governor; Zhang Bin, Sun Kehua, Xu Shanlin, Lin Jizhou, Sun Daren, provincial vice governors; and Tan Weixu, vice chairman of the provincial CPC Congress Standing Committee, had a discussion with the participants on speeding up the cultivation of talented people and invigorating Shaanxi's economy, and listened to their opinions.

The participating teachers who guide postgraduate doctoral students gave valuable opinions and suggestions on the problems which should be resolved urgently in speeding up the cultivation of postgraduate doctoral students. They held that the establishment of the degree system has played an important role in cultivating high class talented people. However, some problems still exist in the enrollment and assignment of postgraduate students, in curriculum, and in use of funds.

Bai Jinian, secretary of the provincial CPC Committee; Li Qingwei, provincial governor; and Lin Jizhou, provincial vice governor, successively delivered speeches at the forum. They extended gratitude to all teachers guiding postgraduate doctoral students who have worked hard to cultivate talented people.

Comrade Bai Jinian said now that we are facing the reform of the economic structure focusing on the urban economy, the reform of education and scientific research must be unified with the reform of the whole economic structure, and develop simultaneously.

He said, in the future, institutes of high learning must practice the president responsibility system. The main tasks of the CPC Committee of an institute of high learning include the following: 1) to ensure the fulfillment of teaching and learning tasks and do everything to serve teaching and learning; 2) to resolve the problems of intellectuals in their studies, work, and daily life and to quicken the pace for resolving the problem of intellectuals' difficulties in joining the party; and 3) to properly conduct ideological education among students and to make good arrangements for their daily life and logistics work.

In his speech Li Qingwei said that colleges and universities in our province must open up to the outside world, carry out internal reforms, and enliven education. CPC committees and governments in all localities must do good logistics work for teaching and learning.

Comrade Lin Jizhou emphatically pointed out that the problem of talented people has now been sharply raised before us. The status of talented people in our province is that senior and junior talented people account for low percentages while middle-level talented people account for a high percentage. If we fail to take measures to solve this problem, it will become an unfavorable factor hindering the development of Shaanxi's economy. The leading comrades of the provincial CPC Committee and government said that special methods will be taken in the future to solve the concrete problems raised by the participants.

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